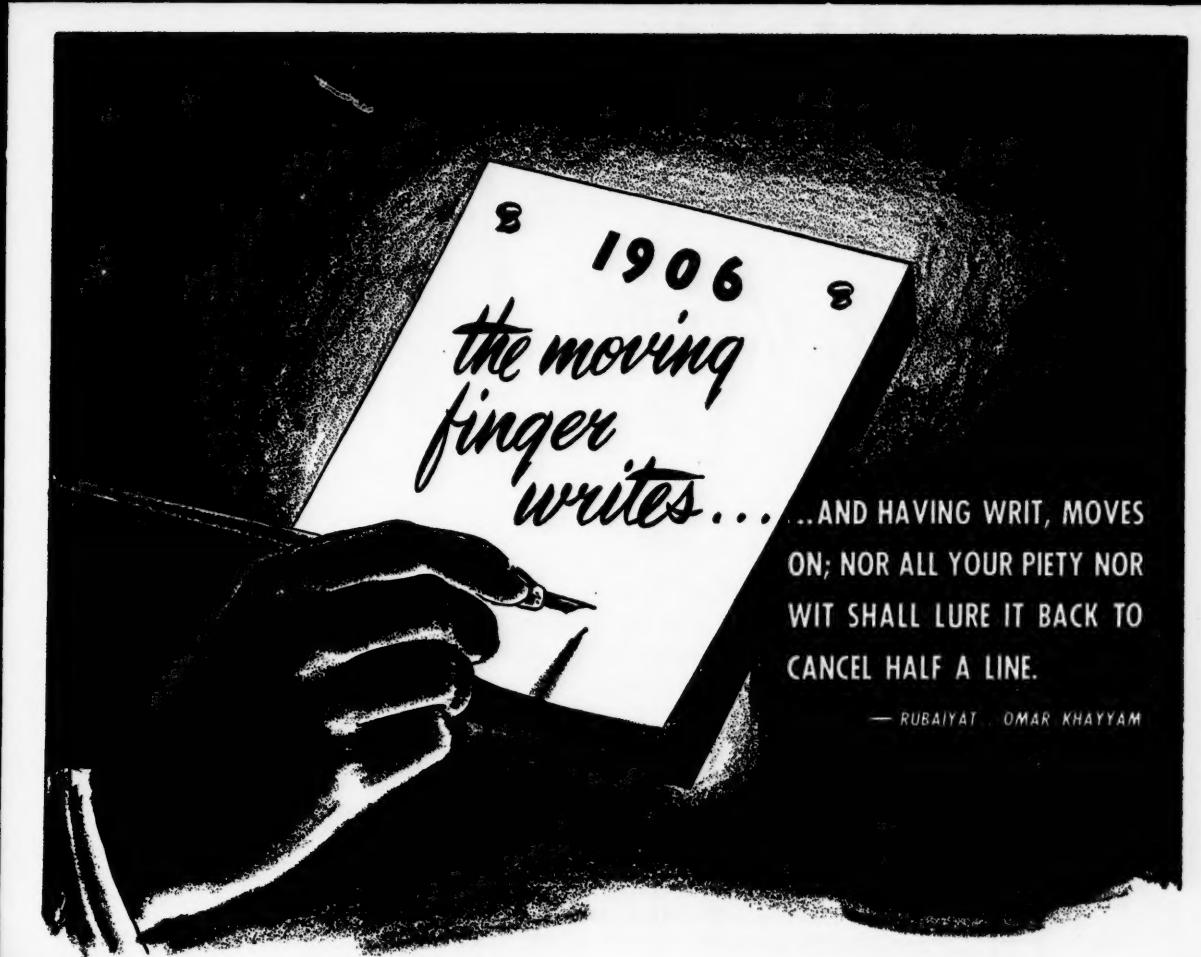


# *The* NATIONAL UNDERWRITER

*Life Insurance Edition*



The moving finger writes and having writ . . . has left a history of the AMERICAN LIFE CONVENTION that is an inspiration for all. The task today is to continue to show progress by matching the energy, devotion, idealism, and sound judgment of those who have gone before.

KANSAS CITY LIFE INSURANCE  
*Company*



KANSAS CITY, MISSOURI

103

FRIDAY, OCTOBER 8, 1948

AMERICAN LIFE CONVENTION



Less than five years ago there were only a half dozen Franklin representatives in Alabama.

In January 1944, Southeastern Manager W. W. Chamberlin undertook the organization of the state. Today Alabama stands among the company leaders. New business produced during the first eight months of this year exceeded last year by 34%.

In addition to leading this dynamic organization, Manager Chamberlin found time during August to qualify for our exclusive "Sixty Club" (sixty sales in sixty calendar days). He started on August 5. In eighteen days he had qualified. All his sales except three were on Franklin exclusive contracts.

*In 1947 the top ten Franklinites in Alabama averaged \$15,486 in cash earnings. This year earnings for the same group will be considerably greater.*

We are proud of our Alabama associates who are typical of the representatives of America's most spectacularly growing company.



*The Friendly*  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*One of the 15 Oldest Stock Legal Reserve Life Companies in America*

Over \$600,000,000 insurance in force

## Program Announced for Joint Meeting of Actuarial Groups

### Sessions of Society and Institute Scheduled for Oct. 27-29 at French Lick

The Actuarial Society of America and American Institute of Actuaries will hold a joint meeting at the French Lick Springs Hotel, French Lick, Ind., Oct. 27-29.

The meeting will open at 2:30 Oct. 27 with a business session of the society followed by a business meeting of the institute. Immediately after this there will be a joint session at which the merger of the two organizations will be discussed and presumably acted upon.

The next morning there will be a joint session at which members will choose officers and other members of the board of governors of the Society of Actuaries, as the merged organization will be called. Following this will be an informal discussion session, which will be continued that afternoon and the next morning.

Following are the topics scheduled for discussion:

I. Underwriting—Practices and Studies. A. Are any changes in underwriting practices being made because of the revival of the military draft?

B. Have any recent studies been made of the mortality of risks with medical impairments? If so, what do they show, particularly in regard to the underwriting of such risks?

II. A. & H. Insurance—Group and Individual.

A. What principles should govern the amount of surplus (and special contingency funds) retained in undistributed form?

1. Some relationship to assets and insurance in force?

2. The maintenance of a fixed dividend scale over a considerable period of time?

3. Some other principle?

B. What consideration should be given to the current trends in expenses, mortality, and interest in deciding upon the amount of undistributed surplus to be held?

IV. War Lessons.

A. What lessons have been learned from the last war regarding the type of war clause used, the question of duplicate records, shortage of personnel, etc.?

B. What changes have been made since the war in disability and double indemnity clauses in respect to non-coverage, or modification of coverage, of aviation and war risks? Were any changes based on experiences: (a) where the benefit terminated on entering the armed services or (b) where the coverage was suspended while in such service?

V. Actuarial Analyses.

A. What correlations have been found necessary or advisable in the dividend formulas on policies on the American Experience table and those on the CSO table to adjust any inconsistencies or maintain equity?

B. With the use of at least two mortality tables—American Experience, CSO, etc.—company's over-all ratio of actual to expected mortality becomes meaningless. What other methods of measuring an over-all experience have been adopted?

C. What has been the experience (i.e., effect on agency force, prospects, expense or other factors) of the companies that have increased the minimum amounts for ordinary policies? What other methods of discouraging the issuance of small ordinary policies have been tried?

D. What new methods, either mechanical or otherwise, have been introduced to help offset the increase in expenses?

E. Have the provisions made in the premiums for term insurance been found ample to cover the present high level of expenses and conversion costs?

VI. Social Insurance—General discussion will be opened by President M. A. Linton of Provident Mutual, followed by discuss-

## N.A.I.C. Cites 14 Steps Taken in PL 15 Situation

In an official report of the recent meeting of the National Assn. of Insurance Commissioners' executive committee at Chicago to consider the federal trade commission problem, Ellery Allyn of Connecticut, the committee chairman, attaches a statement of 14 directions in which the commissioners have acted to meet the impact of public law 15.

- Development of model rating laws. All states have passed rating laws.
- Development of FTC laws at state level; nineteen states have passed this legislation; other states cover the same subject by rule-making authority.
- A substantial number of states have passed the indirect rate regulatory law for A. & H. business.
- Experience reporting form for A. & H. business has been adopted by N.A.I.C.
- N.A.I.C. developed standard provisions law which has been passed by nearly all states. A committee of the N.A.I.C. is now working on modernizing the standard provisions law.
- Adoption of the Official Guide for A. & H. policy forms.
- N.A.I.C. has adopted resolution requiring all policies to comply with current edition of the Guide by July 1, 1949.
- Subcommittee of N.A.I.C. is working on uniform minimum benefits law for A. & H.
- Laws and legislation subcommittee is working on methods of controlling unfair practices in mail order A. & H. To date, three types of bills have been drafted and are being considered, namely, Bill to allow suits for A. & H. claims in federal courts with country-wide process; compliance with licensing law on Webb-Kenyon act theory, and law for licensing by Post Office department.
- Uniform reciprocal licensing law or approximate equivalent has been passed in a substantial number of states.
- Advertising is regulated by various states.
- Various states regulate A. & H. policies by requiring them to be approved.
- Study made by N.A.I.C. committee with reference to legal aspects of the status of FTC in relation to state regulation.
- Study has been made and is being continued by commissioners regarding relationship of FTC to states that have fair trade practice laws and those not having such laws.

### Zone 2 Plans Are Made

John A. Lloyd, vice-president of Union Central Life, will be the toastmaster at the banquet at Columbus Oct. 14 in connection with the session of Zone 2 of National Assn. of Insurance Commissioners. Speaker at the banquet will be Harry E. McClain, secretary of Indiana Assn. of Insurance Agents.

sion by others. Questions may be asked.

VII. Life Insurance Regulation.

A. Is the recent amendment to section 213 of the New York law, temporarily increasing the expense limit, sufficient to take care of the new type of commission scale under which renewal commissions are higher in the early policy years?

B. What has been the effect on life insurance of the expiry of the moratorium provided in public law 15?

VIII. Group.

A. Is the restoration of the instalment total disability clause under group policies warranted by experience?

B. What are the problems involved in furnishing retention estimates or guarantees covering expenses and contingencies reserves?

## Parkinson Hits Treasury's "Plot Against Thrifty"

NEW YORK—The monetary policy of the Treasury is little less than a plot against the thrifty because it is shrinking savings accounts and decreasing the value of life insurance, President Thomas I. Parkinson of Equitable Society charges in another special message on inflation directed to Equitable policyholders. The new brochure, second in the series entitled, "Dollars, Prices, and You," which has caused widespread interest in financial and business circles, will be enclosed with premium notices to policyholders this week.

Summarizing the causes of inflation, the Parkinson message points out that the federal reserve continues to buy government bonds above par to support the market, thereby creating new banking funds that mushroom the money supply by five times the price of the bonds; the Treasury continues to buy gold and bury it in Fort Knox, thereby providing banking funds which may expand our money supply by five times the price of the gold; the banks use these increased banking funds to make long-term loans or buy bonds and mortgages. These frozen assets increase bank earnings but endanger the liquidity of bank funds and inflate the money supply.

### Charges "Adulteration" of Dollar

The resulting adulteration of the dollar, the pamphlet continues, "reduces its purchasing value just as the addition of four quarts of water to one quart of milk reduces its food value." Urging the Treasury and the federal reserve to modify immediately the three inflation cases—gold purchase, government bond support, and long term bank investments—the Parkinson message points out that the changes can be made under existing law and would stop violent additions to the money supply.

Emphasizing that every insurance policyholder has a big stake in the fight on inflation, the brochure urges them to contact the representatives or officials of other life companies in which they hold policies and urge them, through the Life Insurance Assn. of America or otherwise to join in the effort to end unnecessary monetary inflation; contact their banks or bankers and urge them to stop the use of banking facilities to inflate the money supply; write to the federal reserve board or the Secretary of the Treasury and urge immediate modification of the existing gold purchase procedure and the market support for federal bonds, and above all, to write their Congressmen or candidates for Congress demanding that they give this matter serious attention and at least commit themselves to favoring a monetary commission.

### Financial Structure Is Key

In a foreword to "Dollars, Prices, and You," Mr. Parkinson writes, "Our Congress, our federal reserve board, our Treasury, and our banks are drifting toward further increases in our excessive supply of money. Since the end of the war our government marketable debt has gone down \$39 billions, but our money supply has gone up \$16 billions, and the dollar cost of living has gone up 35%."

The message concludes with the warning that "the first step to the disappearance of civil liberties and total regimentation is the dissolution of the national financial structure."

Richard A. Hills has become agency supervisor at Atlanta of Aetna Life.

## Communist Control Blocks Bargaining with UOPWA: Beal

### Prudential Vice-President Explains Stand on Pact That Expired Oct. 1

The UOPWA-CIO has written to insurance commissioners of 31 states asking them to declare a special grace period for payment of premiums by policyholders of Prudential in the event of a strike by company agents which the union says is likely to develop in the near future. The letter went out to the commissioners of each of the states covered by the agreement between UOPWA and Prudential which expired on Oct. 1. In it the union president said, "In the event of a strike, we are requesting in the interest of Prudential policyholders that you arrange for the declaration of a special grace period on policies held by them for the duration of the strike. There is precedent for this action in emergencies in the past, and this situation is an emergency in which your department can serve the interest of policyholders by such action."

The first reaction from the commissioners to the letter has come from Commissioner Kavanaugh of Colorado. He replied in part: "This request is certainly novel. This department has no powers, express or implied, that I know of, which would enable it to change the terms of insurance policies or other written contracts. You evidently are referring to industrial policyholders as likely to suffer in the event of a strike. They undoubtedly would—by the thousands. However, the remedy is with you, not with us."

"Why not prevent this threatened emergency by excluding the debit men who would collect industrial premiums? Or, why not prevent any strike?"

### Will Take Timely Action

"If the emergency which you think imminent should arise, the insurance department of Colorado will take whatever steps may seem necessary at the time."

Meanwhile, the union said that 379 agents representing 201 branches over the country, and 14,000 Prudential agents, met in New York. The union reasserted a demand for an increase of pay of \$15 a week and establishment of a minimum salary of \$65 for collection and service of the debit; union security; job security through improvement of grievance machinery with arbitration and improvements in working conditions, including pension and hospitalization benefits. The union members affirmed the authorization to set a specific strike date. The union reported that a strike vote completed among 10,000 members authorized a strike by four to one. The union members declared themselves free, since the contract expired Oct. 2 to proceed on a strike basis on the job and to engage in picketing, refusal to write new policies, slow-downs, etc.

A hearing before the national labor relations board on the merits of a petition for a collective bargaining agent has been set in New York City next week. If the election is ordered, the UOPWA cannot appear on the ballot

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## Says Higher Costs Call for Public Relations Skill

### Prudential President Addresses Agents, Brokers of San Francisco Area

SAN FRANCISCO—The insurance industry needs skillful work in public relations perhaps more seriously than it has for decades, said President Carroll M. Shanks of Prudential at a luncheon



C. M. Shanks

of the combined life underwriters and brokers associations of the bay area held here Tuesday.

The need is so serious said Mr. Shanks, because of the vast impact of government in the field not only of the welfare programs but of even more traditional private insurance fields, while in addition "insurance companies are suffering from what is to them economic bad weather and the storm signals are flying for more ahead."

Mr. Shanks said that with the work of the Institute of Life Insurance and the individual companies and with the rising skills and professional standards of the agency force the industry is getting the needed skillful work in public relations.

As to the present and future dangers, Mr. Shanks stressed the "familiar routine of government bonds sold to banks and the resulting increase in money and credit." He pointed out that more money without equal added production means higher prices. At the same time interest rates are being held at artificially low levels by Treasury and federal reserve action, resulting in a markedly higher cost of doing business for insurance companies, since the latter, except for new business written, cannot raise premium rates but must get the added cost out of their margins. On top of this the life companies have been confronted with ever lowering investment returns because of the low interest rate.

#### Especial Problem for Insurers

"Rising net cost holds a special difficulty for insurance companies because in its nature insurance has to do with the conservation and the redistribution of wealth and not its actual creation, although in the individual case it may have the same effect as creation," he said. "When the cost of redistribution goes too high people turn elsewhere even though they may continue buying and paying a high price, say, for cars."

While most people like the boom Mr. Shanks said that he as an insurance man does not. He mentioned some of the signs indicating that it will not last forever: Some articles are priced out of the market; earnings of small companies generally are way down; in some lines production is being cut back; farm price drops may pull some of the props out from under the boom, although because of government support there is not the danger of disastrous farm price collapse of the 20's.

Mr. Shanks pointed out that even when the boom does settle back to something approaching normal there will still be a very high plateau of cost. The insurance companies will probably still have relatively low interest earn-

## Guarantee Mutual in A. & H. Field

Guarantee Mutual Life of Omaha has entered the field of A. & H. and hospitalization coverage.

Contracts will include accident, A. & H. and hospitalization for individuals and family groups. Features include 31 days' grace, incontestable after two years as to origin of disability, choice of several waiting periods, no policy fee, accidental means not required, no pro-rata for change in occupation, no reduction in benefits due to age and no increase in premium due to age. Policies are designed for the better class of risks.

Complete protection plans are now available in combination with life contracts. Premiums for such contracts will be collected with one premium notice. The new plans may be added to existing life policies.

#### Commissions Plus Service Fee

Commissions are on a graded basis and followed by a continuous service fee. When the agent reaches age 65, if his contract is still effective, his A. & H. and hospitalization business credits will increase his retirement proportionately.

The "Paramount" series of contracts provides accident monthly indemnity for life, and sickness monthly indemnity for 12 months, accidental death and dismemberment benefits and hospital indemnity benefits.

The "Progressive" series provides for medical expenses, accidental death and dismemberment benefits and hospital, nurse and surgical indemnity for accident and sickness.

The hospital series provides personal and family hospital coverage, including nurse expense indemnity, maternity benefits, additional hospital expense and surgical indemnity for accident and sickness.

A comprehensive series of nine riders

## "Policyholders Protective" Assn. Is at It Again

As in past elections, the so-called Life Insurance Policyholders Protective Assn. is trying to raise funds for campaign purposes. Holgar J. Johnson, president of the Institute of Life Insurance has had some inquiries about the attitude of the life insurance business toward this organization and he has issued the following statement:

"The life insurance companies are completely out of sympathy with the activities of this so-called policyholders organization, which is essentially a personal promotion of Robert E. Smith of New York.

"The association is the outgrowth of an organization launched some years ago by Mr. Smith under the name of the Committee to Defend Life Insurance and Savings and becomes active periodically during important political campaigns. And, repeatedly, the life insurance companies have disavowed any relationship whatsoever with Mr. Smith's organization.

"Two years ago at Chicago I entered such a disavowal, stating that at no time has the association had the support or encouragement of the life insurance business or the support or encouragement of important insurance leaders. That statement still stands."

F. L. Baker has been promoted to associate manager of Western & Southern at Huntington, W. Va. He has been with the company for two years.

provides for practically every additional coverage known in the industry. The types of coverage available under the various combinations of contracts and riders can be made to fit practically every need.

The new line of coverage will be sold only by full time field representatives of Guarantee Mutual.

## Southland Reaches 40th Milestone

Southland Life of Dallas celebrated its 40th anniversary Oct. 3. The company, which is headed by W. C. McCord, is now the fourth largest life company in Texas. The company's first annual statement showed it had admitted assets of \$54,819 and total insurance in force of \$2,611,118. The company now has admitted assets in excess of \$65 million and total insurance in force of over \$270 million. During 1947 alone, the amount paid to beneficiaries and living policyholders exceeded \$2,800,000.



W. C. McCord

Besides paying a total of over \$33 million to policyholders since its organization, the company has contributed to the progress of Texas and the nation through its investments. For example, during 1947 more than \$9 1/2 million was invested to assist in the building of high quality homes and for the expansion of business. Another \$1 3/4 million helped individuals buy farms. In the same year Southland Life purchased more than \$9 million of government securities, public utilities and municipalities, or a total of nearly \$23 million in securities and mortgages in 1947.

The company has expanded with unusual rapidity during the last six years and last May entered the A. & H. and hospitalization fields. The company is active in national life insurance organizations and encourages its agents and employees to take part in worth while civic activities in their communities.

## Scott Joins Mutual Life Comptroller's Department

Joseph W. Scott has joined Mutual Life as administrative assistant in the comptroller's department. Mr. Scott has been senior accountant with Cohen & Becker, certified public accountants. Prior to that he was comptroller of A. C. Sanger & Co., manufacturers representatives, and comptroller of the D. E. Sanford Co.

Mr. Scott was an army pilot in the recent war. He was graduated from Catholic University in 1938 and attended New York law school. He was with the General Electric in Bridgeport, Conn., before he entered the army.

## Indianapolis Management Class Series Opens Oct. 11

The round-table discussions of life insurance agency management to be held during the fall and winter by the General Agents & Managers Assn. of Indianapolis will start Oct. 11 and continue weekly through Feb. 28, covering all phases of management from recruiting through financing and organization of the manager's own personal time.

Enrollment for the series of discussions will be open to agency heads and any supervisors or assistants that may care to enter. The sessions are scheduled to run from 4 to 5:30 on Monday of each week, with a month's recess from the middle of December until the middle of January. J. R. Townsend, Equitable of Iowa, is chairman of the association's educational committee.

## YOUR BEST PROSPECT

To assume that once a man has bought, he should be removed from your prospect file is a great mistake. Your best prospect is your present policyowner. Once a man has purchased insurance from you, he has indicated that he is sold on *you*, on *your* company and on *your* policy benefits.

He certainly did not secure in one moment and in one purchase all the life insurance that he now needs and can now afford—nor did he buy all the life insurance that he ultimately intends to own.

He is therefore, from the moment of purchase, a *preferred* prospect. Far from being one whose name should be removed from your prospect file, he is one who should be marked by a star—*your best prospect*.

Insurance in Force—July 31, 1948—\$370,353,111

COMMONWEALTH  
LIFE INSURANCE COMPANY  
LOUISVILLE

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Trio of National Assn. of Life Underwriters representatives: Simon D. Weissman, Equitable Society, Boston, N.A.L.U. trustee; James Hallett, general counsel, and Gordon McKinney, actuary; J. J. Cadigan, president New World Life; R. M. Malpas, Lebanon, Ind., former president of Reinsurance Life; and R. L. McGinnis, vice-president of New World Life; George Emory, financial vice-president; W. J. Cameron, executive vice-president; and B. B. Brown, assistant to the president, all of Home Life of New York.

## Makes Rousing Appeal for Fight Against Inflation

In a rousing appeal for action, William C. Mullendore, president, Southern California Edison Co., Los Angeles, spoke out vigorously against the apathy of business men in the face of inflation and other perils. He addressed the A.L.C. general session Wednesday afternoon.

"Beguiled by the diversions and feverish activity of an inflation-induced false prosperity, we are either ignoring, or weakly protesting the destructive forces which are undermining our American way of life, and even the civilization of which we are supposed to be the principal guardian," he said. "At a time when, as never before, we need all our strength, we are acquiescing in the slow strangulation of the principal factors of that strength, namely, limited government, sound money, a free market, and other basic elements of our free enterprise system. In short, we are apathetic because of our lack of awareness and alertness at a time of our country's and the world's greatest crisis."

### Assails Weak Stand on Inflation

"We of the business group, while sporadically protesting inflationary fiscal policies, big government, high taxes and restrictive laws, have seemed to say that we are nevertheless prosperous, and in the majority, we now seem to acquiesce in the false labels of 'progress' and 'reform' which have been attached to laws, measures and policies which concentrate power in the federal government, and which will lead to further inflation, to collectivism, and eventually to widespread human suffering such as already has befallen other great peoples of the world from similar causes."

"The failure of business spokesmen consistently to warn against the false and temporary nature of the forces contributing to this 'prosperity' has encouraged reliance upon false values and the growth of a controlled economy under a government of unlimited powers."

"The difficulty in curbing these powers, he said, lies in the many blocs having a selfish interest in the continuation of these powers. Labor, in the majority, believes it has a vested interest in maintaining federal control over employment, employees and employers, he pointed out. Most farmers believe they have a vested interest in maintaining subsidies, price parities, farm and crop lending agencies, and the multitude of other government aids to and hence controls over agriculture. Many lines of business also have subsidies to protect. There are powerful vested interests in government lending and government guarantee of loans for construction, also of grants-in-aid and the enormous direct construction projects of the federal government. The individual citizen is for the most part thoroughly sold on social security, either not knowing or not

caring that government-guaranteed economic security means government guardianship and government guardianship means that as wards of government the recipients lose freedom year by year even though with deceiving slowness in the early years. Everyone realizes that he has a vested interest in the maintenance of the price of government bonds and hence has a vested interest in the federal reserve's purchase of government bonds, which underwrites the continuance of inflation.

### Urge Action by Business

As to what business men can do about it Mr. Mullendore said: "Do we have any right to pretend not to see what all of us must see—that we are in the midst of a dangerous inflation, that we are bound by the chains of an all-powerful government, and that the restrictions and rigidities imposed by this government will make it exceedingly difficult to restore the impaired elements of the American free market, and hence the American production system when

once this inflation has run its dangerous course?"

"If we really believe that socialism is inevitable and that we must become reconciled to it, then shouldn't we say so, and do our part toward helping to learn how to adapt and modify our American ideas to the requirements of life in a socialist state? If we do not believe in the socialist state, and are not willing to see our children condemned to living under such a regime, do we want to continue to further its establishment by lulling our fellow citizens into a false confidence here at this late hour?"

### Gill to Combined Casualty

Combined Casualty of Des Moines has appointed G. B. Gill, former manager of Reserve Life of Texas at Washington, D. C., as manager of its hospital insurance division. The company is putting out new hospitalization policies for individuals, family groups or employee groups.

## Aid Advancement of American Enterprise: Lacy

A responsibility of life companies in their investment operations is to keep pace with and foster the advancement of American enterprise, O. J. Lacy, president of California-Western States Life, declared at American Life Convention. Because American advancement has been made along such sound lines, he said the accomplishment of this objective is possible without in any degree overlooking the requirements for absolute safety.



O. J. Lacy

Starting with agriculture, he said that years ago farming in most communities was a way of life. The farmer had only limited chattel credit at the local bank, and life insurance mortgage loans with farms as security were practically unheard of. Today, farming, in all of its ramifications, is big business. Last year its total take was over \$30 billion, 16% of the national income.

### New Industries Developed

With the passing of the family garden and the old-fashioned root and preserve cellar, there have grown up canning, fruit processing and frozen food industries, which annually produce more than double, and sometimes triple, the values of farm and livestock products of a quarter-century ago. The larger companies have been investing in these securities in ever growing amounts for years. He said his own company, comparatively small, with assets approximating \$100 million, loaned \$500,000 to just one of these food processing and frozen food industries in the past year, to say nothing of many smaller amounts in lesser situations, thus releasing sizable amounts of short-term bank credits to finance other growing enterprises. "We all are and must continue to finance these fine segments of America's economy," he said.

Another field he mentioned is that of construction or purchase of commercial and industrial properties under non-cancellable long-term lease to either big name concerns or well-known local firms under able management. His company sponsored legislation in California to enable it to do this and now owns some good properties under lease to such blue-chip companies as Standard Oil of California, as well as some outstanding markets and chain stores. "These not only give us a better-than-usual current return on our investment, but, in addition, we will have these properties charged down to \$1 in from 18 to 26

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## American Family Close-Up

In one of its advertisements to the American public on behalf of the life insurance companies and their agents, the Institute of Life Insurance made an especially strong point with this headline — "What This Country Amounts to Depends on What Happens to Its Homes."

In the new series each advertisement makes the story practical and believable through presentation in terms of the experience of an actual family, with pictorial treatment to make it more effective. The stories are based on personal interviews with representative families in all sections of the country in a great variety of occupations. Families are chosen to illustrate good citizenship, sound money management, and the varying uses of life insurance in helping to meet family problems.

With the present advertising campaign of the Institute the life insurance business has reached a new peak of public acceptance. The wise life insurance agent will help himself as well as the business by calling attention of his clients to the advertisement on the day it appears, for he is able to point to any family close-up in this series and truly say "This is the kind of family that makes my success story."

• • •

### THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Says Agency Executive Should Decide Whether Agents Are to Be Employees

The time has come when agency executives should determine whether they wish to develop their organizations on an independent contractor basis or on an employee basis, said Victor R. Lutnicki, associate counsel John Hancock Mutual, at the annual meeting of the Agency Section of the A.L.C.

Mr. Lutnicki said that some legal counsel believe that whether by correct interpretation of congressional intent in passing the Gearhart resolution or by outright judicial legislation, it must be expected that the courts will expand the definition of the term "employee" beyond that given to it by the Treasury Department during the years when most life companies received their rulings as to the status of their agents. But he said that whether they agree on this view or not all counsel seem to agree that under the current situation none can predict where the borderline of coverage lies, at least not with the degree of certainty that it was possible to attach to predictions made during the early years of the law's application.

"The efforts of the agents are in the

direction of full-time contracts exclusively," he pointed out. "The advantages of persistency clauses are being closely studied. Everybody seems to endorse the prospective development of the concept of a career agent that is inseparably tied up with training programs, subsidies and close dependency on the company. The matter of reimbursement for expenses has become an element of variable significance. The practice of providing sales aids and direct sales assistance varies from company to company. Finally, and most significantly, it is openly predicted that diminishing markets will necessitate even closer relationship between agent and management if sales volume is to be maintained."

The time has come, he said, for a decision, not by lawyers as to where the borderline between employee and contractor lies, or how close to it one can come without passing over, but a decision by agency management as to whether it is their intention to cross it or to remain on one side. While the lawyers cannot define where the exact

line lies, they can distinguish a clear-cut independent contractor from a clear-cut employee. If the course is intentionally set towards the latter and is now well on its way, it is better to get over to an employee basis with a clear-cut decision than be brought over by accumulation of unregulated circumstances. Conversely, if the foundation and structure of one's agency organization were made to accommodate the independent contractor relationship and it is found to be occupied by a wholly unsuited tenant, half independent contractor and half employee, now is the time to stop that trend, he said.

## PRACTICAL BARRIERS

Mr. Lutnicki said that in seeking employee status many life agents have failed to realize that what may be easy for one company to effect in shifting to an employer-employee relationship might be difficult and complex for another, usually more so for companies on the general agency basis as contrasted with the managerial plan.

Emphasizing that employee status means more than merely nominal control by the employer, Mr. Lutnicki said that one company desiring to make the change had trouble satisfying the Treasury that its control over its agents was sufficient to justify an employee status for them. He said there was an apparent misconception, particularly among the more outspoken agent advocates of employee status, that all that is needed is a slight application of legal legerdemain and the agents will be given social security status without any other effects. He pointed out, however, that the employer has to control more than just the results of the work but also how it is done. This might not be popular, he warned, with agents, many of whom are accustomed to managing their own time.

### Bad for General Agents

From the general agent's point of view there is the disadvantage that he would be regarded as the independent contractor and the agents as his employees, as was contemplated in the Treasury decision that was stymied by the Gearhart resolution. From the agent's angle, Mr. Lutnicki mentioned that it might be inconvenient for many, since it would be necessary to adopt a payroll period. It might be impossible to pay advances on the present basis and even the traditional first year and renewal system of payment might be made unworkably complex.

Mr. Lutnicki has said he believed the best answer is legislation which would extend social security to all agents whether they are employees or independent contractors, but that he felt the prospects for this would be considerably better if the agents would support the companies' stand on this point instead of asking the government for rulings as to their present social security status. He said he felt companies could convince the agents of the idea of waiting for legislation and that this would retard the agents' program of getting individual Treasury rulings on their status.

## N.A.L.U. Gives Schedule for 14 State Conferences

The dates and locations of 14 of the 35 state conferences already scheduled by National Assn. of Life Underwriters are: Oct. 8, Indianapolis; Oct. 8-9, Saginaw, Mich.; Oct. 11-12, Beverly Hills, for southern California; Oct. 11-12, Lexington, Ky.; Oct. 13-14, Austin, Tex.; Oct. 15-16, San Francisco, for northern California; Oct. 18-19, Seattle; Oct. 20, Portland, Ore.; Oct. 20-21, Wichita; Oct. 22, Twin Falls, Ida.; Oct. 22-23, Grand Island, Neb.; Oct. 25-26, Sioux Falls; Oct. 25-26, Salt Lake City; Oct. 27-28, Des Moines; Oct. 27-28, tri-state meeting for Colorado, Wyoming and New Mexico at Denver; Oct. 29-30, Peoria, Ill.

## ALC to Cease Supporting Investment Research

Reasons why the A.L.C. is withdrawing its support of the Joint Committee on Investment Research at the end of this year were given by President R. B. Richardson of Western Life of Montana in his A.L.C. presidential address. He emphasized that there was no reflection on the value of investment research but that "experience has demonstrated that no matter how worthy these additional activities may be there is no complete agreement among the member companies as to the advisability of participation." The only question involved, he said, was whether the project should be supported through the A.L.C. or by the companies on an individual and voluntary basis. He cited the advertising program of the Institute of Life Insurance and the research program of the Life Insurance Medical Research Fund as indicating that companies are generous and willing in their support of worthwhile programs.



WITH ALL THE ENTHUSIASM AT OUR COMMAND, WE RECOMMEND THAT YOU READ "BORROW FROM BROWNOLD". FOR EVERY WORD OF THIS NEW, DIFFERENT, JUST-OFF-THE-PRESS BOOK IS DEDICATED TO THE ONE IDEA — CLOSE THAT CASE!

New or old to the business, it will make no difference in your enjoyment of the thousand and one ways in which Brownold (a hard-hitting career underwriter for 20 years) turns "No" into "Yes"! You are sure to appreciate his methods which will enable you to turn prospects into policyholders and first time buyers into life long clients. You are sure to profit from reading these pages—fully packed with sales sizzle you can use at each call.

You may know how to present a life insurance policy as if it were an annuity, but do you know how to control the interview? You may know how to be poised and earnest, but do you know how to sell the hard-headed executive who considers his business more important than life insurance? If you want the whole truth about the business in which you are spending your working hours, plus specifics for success during those hours, then you will want this attractively bound, so easy to read book.

YOU CANNOT FAIL TO BENEFIT IF YOU WILL TAKE TIME TO "BORROW FROM BROWNOLD". PRICED AT ONLY \$3.25, AND WE WILL FILL YOUR ORDER PROMPTLY.

PAUL SPEICHER  
Managing Editor  
**THE INSURANCE  
RESEARCH & REVIEW SERVICE  
INDIANAPOLIS**

## FAMILY INCOME FOR G. I. INSURANCE

NO, YOU WON'T find it in any manual on National Service Life Insurance.

But you *will* find it in the Occidental Rate Book under "Income Protection Policy".

Here, in effect, is a Family Income Rider for the G. I. policy. It pays any selected monthly income for any selected period, 10 to 50 years. No basic policy. No lump sum payment. The G. I. policy serves as the basic policy.

Many a former service man with two youngsters now playing about his home needs a Family Income Policy—but can't afford that and his G. I. policy, too.

Why not make his G. I. policy into Family Income by adding an inexpensive Occidental Income Protection policy?

\*A 35-year old veteran can add \$100-a-month income (20 years) to his NSLI policy for a \$7.70 monthly premium.

**Occidental Life**  
INSURANCE COMPANY OF CALIFORNIA

V. H. JENKINS, Senior Vice President

"WE PAY AGENTS LIFETIME RENEWALS — THEY LAST AS LONG AS YOU DO"

October 8, 1948

## Basil DeWitt Heads National Standard

Basil L. DeWitt, vice-president and treasurer of Peninsular Life of Jacksonville, Fla., has resigned to become president of National Standard of Orlando, Fla., a legal reserve stock company formed four years ago by central Florida investors. He will take over his new post Nov. 1.

Mr. DeWitt was born in Jacksonville



BASIL L. DEWITT

in 1909, graduated from University of Florida in 1931 and joined Peninsular as auditor in 1934 after three years in Tampa with the Florida Citrus Exchange. He was made assistant secretary and assistant treasurer in 1937, secretary-treasurer in 1941 and vice-president and treasurer in 1945. He was elected chairman of the A.L.C. industrial (now combination companies) section in 1941.

Guinard Maxey of Sebring, Fla., has been the president of this company in addition to handling his fruit business interests pending the election of an operating head of the company.

### Ia. Commissioner Favors U. S. Legislation

DES MOINES—Commissioner Alexander of Iowa, in addressing the annual meeting of Iowa Assn. of Insurance Agents, recommended federal legislation for the regulation of mail order insurance. He stated there are many good mail order companies and there is the serious constitutional question involved, but he expressed the belief that the mail order business can never be properly regulated until there is a federal law, not federal control, requiring all companies to be licensed in each state in which they use the mails.

### New York Women to Meet

New York League of Life Insurance Women will meet Oct. 18 at the Wana-mak women's club rooms and hear E. N. Mayer, president of James Gray, Inc., discuss "Seven Cardinal Points of Direct Mail Advertising." Charles R. Corcoran, director of sales promotion for Equitable Society, will speak on "Sales Slants on Direct Mail." Dorothy Bond, New York Life, league president, will be in charge.

### Wis. Nat'l Runs Dual Drive

Wisconsin National Life is running a campaign this month in honor of President R. P. Boardman. Also, because the company will on Oct. 12 celebrate its 40th anniversary, it is inaugurating the "40-40 Club." In addition to the merit points earned in the regular contest an extra 4,000 merit points will be awarded to every agent who pays for

40 lives (combined life and A. & H.) or \$40,000 in volume.

### John Longfellow Retires

John Longfellow, who went with Metropolitan Life in 1914 at St. Paul and has been manager at Superior, Wis., for 26 years, has retired. He became assistant manager at St. Paul two years after joining the company, and six years later went to Superior.

### Huber Forum Draws 200

About 200 agents, attorneys and others attended an estate planning forum last week in New York conducted by Solomon Huber, general agent Mutual Benefit Life. Speakers were Denis B. Maduro, New York City attorney; John J. Magovern, associate counsel Mutual Benefit; Adrian W. De Wind, former tax legislative counsel of the Treasury; Mark H. Johnson, attorney; Stuart Monroe, unit manager of Equitable Society.

The A.L.C. meeting brought together several who were taking the University of Michigan actuarial course following the first world war. These included Cecil F. Cross, Lincoln National; C. C. Dubuar, New York department; R. B.

Richardson, Western Life of Montana, A.L.C. retiring president; and Emeterio Roa, Insular Life of Manila.

and the respective jurisdiction of legislature and court.

### Group Covers Treated

Group insurance was the theme of a dinner meeting of Indianapolis C.L.U. Horace E. Storer, Bankers Life of Des Moines, led a discussion on group life and group permanent, while W. Howard Bull, Aetna Life, led a discussion on group life, with paid-up values and casualty group coverages.

Edward A. Krueger, State Life, reported on C.L.U. progress and activities at the St. Louis convention.

### Can Recover Premiums

An employe from whose wages amounts were being deducted for insurance that he did not know about or desire is entitled to recover the premiums back to the date he first knew about what the deductions were for, the South Carolina supreme court has ruled in Keller vs. Provident Life & Accident. The plaintiff contended that no contract ever existed.

New York Life was represented by Raymond C. Johnson, assistant vice-president, and Ronald Swinford, assistant general counsel at the A.L.C. meeting.

## These FAMOUS STARS...



Gregory Peck



Barbara Stanwyck



Robert Taylor



Ginger Rogers



Bette Davis



Humphrey Bogart

... need no introduction. Every week one of these great artists will appear on The Prudential's new Sunday radio show, "The Family Hour of Stars" over the CBS network.

Like these great stars who are known to millions, The Prudential needs no introduction. Years of service, through local representatives, national magazine advertising and top flight radio shows, have combined to make "Prudential" a household name.

And because it is, our Representatives and Brokers find that the way has been paved for them—The Prudential representative is known—and accepted.

Yes, our agents and brokers know that  
The Prudential needs no introduction.



## Hunter Chairman, McAllister Sec'y of Agency Section

**President John A.  
Stevenson of Penn Mutual  
Makes Impressive Talk**

The A.L.C. Agency Section program was run off in brisk fashion by its chairman, C. H. Heyl, agency vice-president of Bankers Life of Nebraska. It was a straight program of practical talks, without panels or discussion periods following the speeches.

The talk of President John A. Stevenson of Penn Mutual was particularly impressive because of Mr. Stevenson's long experience in educational work and his interest in raising the level of life insurance selling. He emphasized

the need for close supervision of agents. He said he would rather have a poor training program and good supervision than a good training program and poor supervision, though there was no reason why both training program and supervision could not be good.

Mr. Stevenson said there has been too much effort to try to make training programs do the job of supervision. He urged concentrating on building men rather than on increased production, saying that what leadership does and not what it says is what counts.

Recalling the late Ernie Pyle's formula that "nine-tenths of morale is pride



D. G. Hunter

in your outfit and confidence in your leaders," Mr. Stevenson said that on both counts "the agency pattern of the life insurance business today represents an enviable picture and I have no hesitancy in predicting that the pattern of agency leadership in the future will be one in which success will be measured in terms of so improving the effectiveness of our agency system that it will yield ever-enlarging service to the public and ever-increasing opportunities for those who render that service."

J. A. McAllister, assistant general manager and director of agencies of Sun Life of Canada called for a five-point program to reduce the number of "failure agents." The cost per failure is between \$400 and \$1,000. Standards of selection must be raised, he said; every worthwhile educational endeavor encouraged; increased responsibility should be put upon agency managers; bold experiments need to be made with such

### NEW OFFICERS ELECTED

**Chairman—D. Gordon Hunter, vice-president and agency manager Phoenix Mutual Life.**

**Secretary—J. A. McAllister, assistant general manager and director of agencies Sun Life of Canada.**

problems as irregularity of income, and most of all, agency officers should "squarely and honestly" accept the fact that theirs is the ultimate responsibility.

### Cites Canadian Figures

Figures show that among all new agents appointed in Canada since 1945, more than half were out of the life insurance business by Jan. 1, 1947," he said. Almost half left before they had completed 12 months' service. This entailed loss of money to the company, loss of the supervisor's time, the "souring" of many of these men towards life assurance and a general quality of business much less than was obtained by agents who did survive.

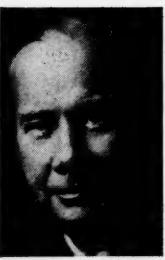
Mr. McAllister said that for some time there has been a growing feeling that the weakest link in the whole induction chain is in training of new agents as opposed to education. Where-

ever managers or supervisors give real field training, office coaching, etc., then new men succeed, he said, while where these are lacking, the ratio of success is poor and far too often non-existent, in spite of good selection and good educational material.

Other speakers were J. Harry Wood,



J. A. Stevenson



C. H. Heyl

executive vice-president of Paul Revere Life; and V. A. Lutnicki, associate counsel, John Hancock, whose talks are reported elsewhere in this issue.

### Agency Plant as Investment

Treating the cost of building and operating an agency plant as an investment which can show an excellent return was suggested by Robert E. Murphy, vice-president and manager of agencies, California-Western States, to the Agency Section.

"If we do accept this investment concept, how can we go about using this invested capital to bring back a profitable return?"

Mr. Murphy asked. He found his answer in admonishing agency managers to seek "quality business"; that is, larger policies on better risks. He declared that: "if we could increase our average size policies just \$1,000 and improve our persistency . . . the increase in the present value of margins for sur-



R. E. Murphy

plus and contingencies would be equivalent to an increase in the interest rate (on the reserves of such business) of 3%."

He said, however, that there is a limit beyond which a company should not aim to go because of the market restrictions which would be imposed on its agents. In such case, he suggested the opportunity may lie in increasing average production per agent, or reducing agency turnover.

Mr. Murphy recommended a long range program—requiring "better selection of agents, early eliminating if they don't qualify, better field training, and more teaching of skills on the job."

A manager must be proficient in recruiting, selection, training, supervision and morale building, he said. "Of these five, we believe training is the nerve center. We feel that if a company can successfully attack and solve the problem of training, the other four problems would go far toward solving themselves."

His company recently has made an analysis of the business produced by the first group of agents who completed its intermediate training plan, and found that the average size policy for the group was \$1,600 above the company average and \$1,200 above their own previous average. Their renewal ratio was seven points higher than the company average.

He declared that the training director must be carefully selected—a man of sufficient capacity to warrant the support of not only his associates in the agency department, but of every department head in the company. Top management must be convinced of the importance of training.

## Stress Need for Training Managers

Training the manager is first in importance in developing agents' knowledge, skill and drive which are vital to a successful agency plant, said J. Harry Wood, executive vice-president of Paul Revere Life at the meeting of the A.L.C. Agency Section.

Mr. Wood said that agency executives need to determine the cost of a failing agency manager, which may be anywhere from \$5,000 to \$50,000, and the proper allocation of time among agency department people to see that the new agency manager succeeds. He said it might be a costly error to assume that a new manager, because he has been a successful producer, knows how to teach others to do the same. Other agents are likely to look at him as a miracle man, using methods beyond their abilities. Hence the need for a program of management training.

Mr. Wood said that recent years of easy selling have tended to make managers ease off in the drudgery of drilling their agents in selling skills. They have relied too much on knowledge.

The training of agents has gone the full circle from the "pat on the back" which was all the motivation needed under conditions of 25 years ago, to education, to training for skills, back to morale and motivation, said Mr. Wood. However, something has been gained out of each of these stages.

### Name Baltimore Assistant

Continental American has appointed William Blair as assistant manager at Baltimore. He started in life insurance with Home Life at Baltimore in 1940, and joined Continental American in 1947. He has been working out of the home office recently assisting managers and general agents.



**F**ORTY years ago, Teddy Roosevelt was on the front page and war veterans were youngish fellows who had seen service in the Spanish-American War, or older ones who served in the Civil War.

The Nation, Texas, and Dallas were moving fast in the march of Progress. And Southland Life was born in Dallas.

The Company was fortunate to have been established under such favorable conditions in a favored state . . . it has been an interesting and thrilling pageant. As an enthusiastic and active participant in the glorious past, Southland Life pledges its continued efforts toward building a more prosperous and glorious future for our Country.

**Southland Life**  
INSURANCE COMPANY  
W. C. McCOY, President  
Home Office, DALLAS

Southland Life's 110,000 loyal policyholders and efficient sales organization have been major factors in our growth from organization 40 years ago to today's \$65,000,000 in assets and \$270,000,000 insurance in force.

Our sincere thanks to them and to all those who have had a part in our progress "Across the Span of Years".

LIFE • ACCIDENT • HEALTH • HOSPITALIZATION



J. Harry Wood

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## Lacy Sees Need to Aid Enterprise

(CONTINUED FROM PAGE 3)

years. Many of you are doing likewise, and in so doing are enabling enterprise to release working capital for much needed expansion to meet the demands of the future."

Another and an allied field is that of whole additions of housing, ranging all the way from single, duplex and triple units to the extensive apartment house projects of the larger companies, in which school, market and entertainment facilities are provided. The latter two provide profits which aid in subsidizing rental housing units, Mr. Lacy said, while well-planned schooling facilities in the area provide educational and cultural centers and vocational training units for the citizens of the future.

### Dubious at First

"When Metropolitan Life launched this type of project many years ago, I, like many of you, maintained that life insurance had plenty of problems on its hands in fulfilling its sphere as an investor without stepping into the field of voluntary property management," he commented. "Since then, we have learned that by properly building up well-planned housing and business areas of its own, thus controlling maintenance and future beautification in parks, etc., an institution controls the whole trend of such communities, and thus prevents undue exposure to blighting influences which make, first, for obsolescence, and later into deterioration into tenement districts."

### Preferred and Common Stocks

Mr. Lacy also discussed the possibility of life insurance investments in preferred stocks, and even common stocks. "There should be limitations imposed," he said, "upon the over-all percentage of investments in stocks and in any one situation. In my judgment, companies which venture into this field should first build up a sizable surplus to take care of market fluctuations, should purchase those types of preferred stocks which do not command too high a premium, and reduce them to par in not longer than a 10-year period, which is the practice followed by our company. If this program could be aided by a valuations plan such as that recommended to the commissioners by the joint A.L.C.-L.I.A. committee a few years ago, wherein not in excess of 20% of change in market to book value would be reflected in any one year, we could, in my estimation, safely perform a valuable service to American economy, and, at the same time, increase our yields over bond investments."

### Yield Edge Is 1%

"In the office of one of the committee members at the time the plan was submitted, I saw charts covering a considerable period of time which indicated two things: First, that the fluctuation curve leveled off by this method was such that a company with a reasonable surplus could withstand these moderated fluctuations; second, that in the over-all picture, preferred stocks provided a yield over the period covered of approximately 1% greater than that of comparably strong bonds. During the depression of the '30s, had many good bonds been reflected in our annual statements on a market basis, serious trouble would have ensued. Amortization solved the problem and I believe that if some such valuation plan, as recommended by the joint committee, is adopted, limited investments in preferred stocks and some in commons will not unduly tax the resources of a company with ample surplus. I sincerely hope the present all-industry committee will be able to demonstrate this to supervising officials and that we will be allowed protection on well-selected stocks somewhat akin to that now pertaining to good bonds."

## Liberty Life Names Stuart as Ordinary Supervisor

J. E. B. Stuart, who has been with Jefferson Standard at Winston-Salem, has been appointed a home office ordinary agency supervisor for Liberty Life. Mr. Stuart is a graduate of Appalachian State Teachers College in 1940. He taught school and was in the air corps. Upon discharge he became a member of the charter class of the Purdue marketing school.



J. E. B. Stuart

### John P. Hanna Advanced

Pending the appointment of a managing director of H. & A. Underwriters Conference, John P. Hanna was appointed executive director and attorney at a meeting of the executive committee at Chicago October 3.

Mr. Hanna joined the conference early in 1947 to assist in legal and insurance department activities after graduating

from the law school of Northwestern University. Shortly afterward was appointed conference attorney and since that time has attended insurance department and other accident and health industry meetings on behalf of the conference.

## Problem in N. Y. on Case Transfer to Federal Court

A situation interesting to insurance lawyers because so many of their cases are removed from state to federal court, confronts them in New York with the new federal code on judiciary and judicial procedure that went into effect Sept. 1.

The procedure of removing a case from state to federal court has been revised. Heretofore, if an attorney wanted to get a case into the federal court, he petitioned the court where the action originates. Now he petitions the federal district court. According to the new federal code, the petition has to be filed 20 days after the action commences or after service of process, whichever is later.

In New York, under state procedure, the action is deemed filed as of the service of process. A complaint does not have to be filed with the service.

Consequently, this presents the problem of how to remove to the federal court before seeing a complaint. In the 20 days it is necessary to serve notice of appearance, but the defendant may not get the complaint until after the 20 days are up. One solution would be for the federal court to rule that the action commences only with the filing of the complaint.

## Advertisers Will Hear Pair of Research Experts

Among the speakers for the annual meeting of the Life Insurance Advertisers Assn. on Oct. 28-30 at Washington, D. C., will be John Caples, vice-president of Batten, Barton, Durstine & Osborn, New York City; and W. Donald Molitor. Mr. Caples will discuss "Tested Advertising Methods" which is the title of a book he has written. He is known for his development of scientific methods for testing advertising effectiveness.

Mr. Molitor, who is director of sales for Edward Stern & Co., Philadelphia, will speak on the modern trends in graphic arts. He has written a book on "Printing Techniques" and established a sales training program and a market research department.

# THIS HAPPENS Oftener

when you're selling  
our complete  
personal protection



— including Disability Income of \$10 per \$1000 Life Insurance, and —

LIFE INSURANCE★ . . All modern forms of Guaranteed Rate Ordinary from birth to age 65. Substandard, Salary Savings, Annuities, and Non-Cancellable Disability combined with wide choice of Life plans.

A. & H. INSURANCE★ . . Every form of Accident and Sickness coverage — including Franchise plans for five or more employees. Non-Cancellable Disability policies. Monthly Premium plans. Special Risk coverages.

HOSPITAL INSURANCE★ . . Issued on Individual, Family Group (ages 3 months to 80 years) and Franchise plans. Hospital Room and Board, Miscellaneous Hospital Extras, Surgeon's Fees and Medical Care.

★All written on Group Plans (minimum of 25 employees) and on special forms designed for Railroad Employees.

**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

CHATTANOOGA



protecting provident people since 1887

## Functional N. M. Office for Franklin



This unique functional office building was constructed at Albuquerque by the Franklin Life regional manager in New Mexico, Harold E. del Castillo, to furnish maximum light in an office of restricted frontage. The structure is of reinforced concrete with a structural steel floor and roof.

OUR SIXTY-SECOND YEAR

# "GOIN' PLACES"

- EXPANDED TERRITORY OF OPERATION  
(Four new states, California, Colorado, Minnesota, Delaware, added in past eighteen months)
- AGGRESSIVE DEVELOPMENT OF OLD AND NEW TERRITORY  
(Fourteen new general agency appointments in two years)
- MODERNIZED BASIS OF AGENT'S COMPENSATION
- COMPLETE INTRODUCTORY AND ADVANCED TRAINING PROGRAMS FOR AGENTS
- EFFECTIVE—AND PROVED—SALES AIDS AND SALES PLANS
- ENLIGHTENED AND ENTHUSIASTIC HOME OFFICE AGENCY COOPERATION

A half dozen Bankers Life points that mean "opportunity" for Bankers Life men.

Ask any Bankers Life of Nebraska man what HE thinks about HIS future, and you'll see what we mean.

Home Office Lincoln, Nebr.



## Reinstatement Rejection Cause Should Be Stressed

Speaking on the conditions which a company may impose in connection with the reinstatement of a policy, Powell E. Smith, counsel of Occidental Life, told the A.L.C. Legal Section that although the company can impose certain conditions on reinstatement or re-issue when the policyholder is not able to furnish evidence of insurability satisfactory to the company, it is of the utmost importance that the company make it known to the policyholder beyond question that his application for reinstatement has been rejected because of unsatisfactory evidence. Otherwise it may be held later that the company either repudiated its contract by placing unlawful conditions on the policyholder's right of reinstatement or that such conditions are unenforceable for lack of consideration.

This possibility, said Mr. Smith said, is well illustrated by the case of Kahn vs. Continental Casualty. In that case the policyholder applied for reinstatement of a policy which provided a \$10,000 accidental death benefit and a \$400 monthly total disability benefit. Subsequent thereto, the insured obtained additional monthly disability benefits in other companies totaling \$483.33. The underwriter informed the policyholder that it was not the company's practice to insure 50% of the applicant's monthly income and, therefore, they would participate in a maximum benefit of \$500, including all policies, giving the policyholder a choice of discontinuing or reducing his other policies or reducing the disability benefits under his Continental Casualty policy. The policyholder refused and brought suit to enforce reinstatement. The trial court held for the plaintiff.

The Illinois appellate court reversed the lower court, holding that the company was justified in declining reinstatement because of overinsurance. The Illinois supreme court reversed the appellate court, holding that the underwriter in his letter to the policyholder at no time stated that the policyholder was uninsurable, but that the company admitted he was insurable for the full amount, and was merely quibbling as to the amount of insurance the plaintiff would be permitted to carry with other companies.

## Hartley Seeks Amendment

WASHINGTON — Rep. Hartley, New Jersey, co-author of the labor law bearing his name, recommends its amendment so as to exclude pension and welfare funds from collective bargaining. He would also "restrict the national labor relations board from bargaining in on welfare funds if we are to continue having social security." He said: "I don't think we can have both" and that he would "prefer to see the job done" through broadening social security coverage.

## J. O. Rice A.M.A. Secretary

American Management Assn. has elected James O. Rice as secretary. He was formerly assistant secretary and editor. He will be in charge of the administration of the conference, research, publication and membership service programs of the association's various divisions including insurance. He succeeds Henry J. Howlett who resigned to become president of Container Laboratories.

## Oklahoma Assn. Opens Season

The first fall meeting of Oklahoma A. & H. Assn. was given over to round table discussion of plans for the year. It was decided to hold the annual sales congress Dec. 6. The executive committee will outline the season's program at a meeting Oct. 15. R. B. Smith, Great Northern Life, past national president, reported on the national convention. The next meeting will be Oct. 25.

## Franklin's Chicago Agents Rated for Drive Results

Charles E. Becker, president of Franklin Life, was host at a party at Ridgmoor country club for agents in the Chicago area. Before he left for a two-month European trip Mr. Becker told F. J. Budinger, regional sales manager, that if the area agents paid for \$2 million in the two months they could look forward to a party. Besides Mr. Becker those from the home office included J. V. Whaley, agency vice-president; F. J. O'Brien, vice-president and director of sales promotion; and Charles E. Becker, Jr., assistant to the president.

In the fiscal year ended Aug. 31, more than \$4,600 was contributed to the Royal League Sanitorium "Thank Offering Fund" by individual members, the largest annual free will collection since 1920.

**STATEMENT OF THE OWNERSHIP,  
MANAGEMENT, CIRCULATION, ETC.,  
REQUIRED BY THE ACT OF  
CONGRESS OF AUGUST 24,  
1912, AS AMENDED BY THE  
ACTS OF MARCH 3, 1933  
AND JULY 2, 1946**

Of the National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for Oct. 1, 1948.  
State of Illinois } ss.  
County of Cook } ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared R. B. Mitchell, who, having been duly sworn according to law, deposes and says that he is the Editor of the National Underwriter Life Insurance Edition and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.  
Editor, R. B. Mitchell, Evanston, Ill.  
Managing Editor, R. B. Mitchell, Evanston, Ill.  
Business Manager, H. J. Burridge, Cincinnati, Ohio.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) The National Underwriter Co., Chicago, New York, Cincinnati; Elizabeth W. Herschede, Cincinnati, Ohio; John Z. Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; G. W. Wadsworth, Highland Park, Ill.; R. E. Richman, New York, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above is 8,520. (This information is required from daily publications only.)

R. B. MITCHELL  
Sworn to and subscribed before me this 27th day of September, 1948.

L. N. YELLOWLEES.  
(Seal)  
(My commission expires Nov. 3, 1951.)

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## Mass. Mutual Advances Three Men at Home Office

Massachusetts Mutual has appointed Moreton R. Bates, manager of the registry department; Howard G. Lundberg, assistant manager of the auditing department, and Roy E. Simmons, assistant manager of the renewal department.

Mr. Bates joined the company in 1924 as a mail clerk. He was transferred to the renewal department in 1925, and to the registry department in 1927, where he has been in charge of amendments. He attended Bay Path Institute. He became an associate of the Life Office Management Assn. in 1940.

Mr. Lundberg started with the company in 1928 as a mail clerk, was transferred to the mortgage department in 1929, became cashier of the Springfield district real estate office in 1938, and



M. R. Bates

in 1940 entered the auditing department. He is a graduate of Bay Path Institute.

Mr. Simmons joined the company as a mail clerk in 1926, was transferred to the renewal department in 1927, where he assumed supervisory duties in 1930;



R. E. Simmons

served in 1947 as traveling agency auditor, and last March returned to the renewal department in a supervisory capacity. He attended Bay Path Institute and Northeastern University. He is an associate of the L.O.M.A. Institute.

## Seminar on Real Estate Conducted by Mass. Mutual

Massachusetts Mutual conducted a home office real estate seminar for two days directed by J. T. Streng, second vice-president, with managers, assistant managers and engineers from mortgage loan field offices attending.

President A. T. Maclean opened the first session, explaining the purpose of the seminar, which is to inform the field men on new and revised mortgage loan operations. Mr. Streng then spoke on "The New Program." Other subjects discussed, and speakers were: "The Accounting Set-up," A. D. Shaw, vice-president; "Legal Aspects of Closing Loans, Titles, etc." Carl A. Sabin, assistant counsel; "Analysis of Balance Sheets and Audit Reports," Homer N. Chapin, vice-president; "Inspection and Analysis of Construction Plans and Layout," R. G. Kraft, superintendent of real estate.

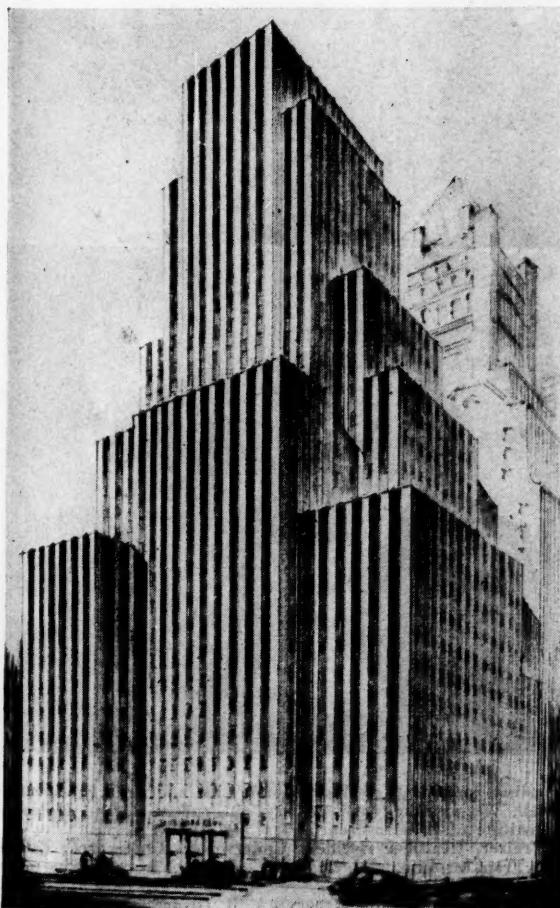
"Insurance Problems," L. E. Bartlett, assistant superintendent of loans appraising; "The Economic Approach," Mr. Streng; "Location and Neighborhood Analysis," A. I. Macdonald, assistant superintendent of loans; "Analysis of an Appraisal Report," Mr. Streng; "Our Real Estate Investment Program," G. A. Craig, superintendent of real estate; "What Is Lacking in Some Submission Letters," Bert Mount, superintendent of loans.

## Montana Collections Up

Collections of the Montana insurance department for 1947 amounted to \$586,701 which is an increase of 17% from the previous year, Commissioner Holmes reports.

in 1940 entered the auditing department. He is a graduate of Bay Path Institute.

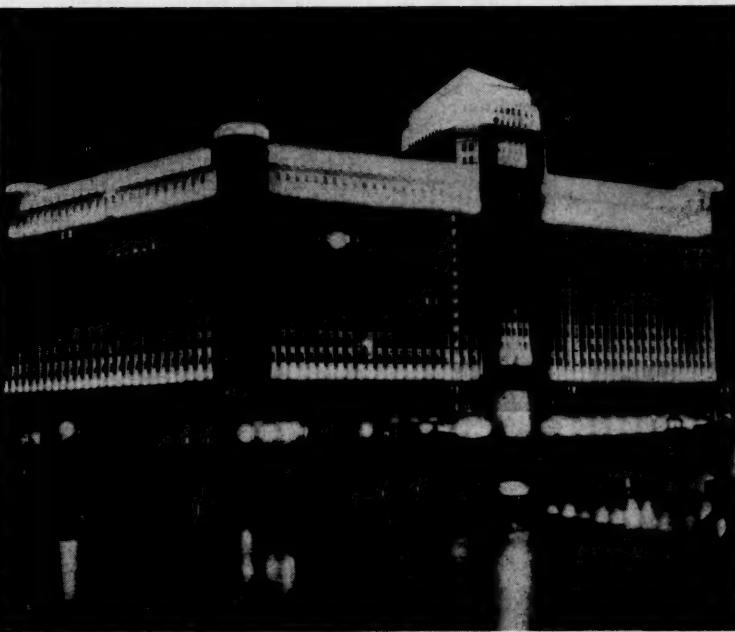
Mr. Simmons joined the company as a mail clerk in 1926, was transferred to the renewal department in 1927, where he assumed supervisory duties in 1930;



Mayor O'Dwyer of New York was guest of honor at the groundbreaking ceremonies Monday for Mutual Life's new 25-story home office building, artist's sketch of which is shown herewith. The building will run from 55th to 56th streets on the east side of Broadway and will cost \$9 million. Other guests at the groundbreaking and the luncheon that followed included R. K. Christenberry, president of the Broadway Assn. and other civic leaders from the upper Broadway district and executives of New York life companies and industry associations.

The new building will contain about 542,000 square feet of floor area, of which the company will use 250,000 square feet at the outset, renting the remainder.

## Chicago is a Great City



When you're in Chicago  
go and see the

## MERCHANDISE MART

Tour the biggest commercial building in the world! The "city within a city" has a population of 25,000, its own bank, post office, radio station, elevated train station, and police force.

On your tour of the Merchandise Mart you can see 1,000 showrooms exhibiting the wares of the nation's leading home furnishings and apparel manufacturers. A freight train 17 miles long, containing 2,500 cars filled with merchandise would be necessary to carry all the goods on permanent display.

Each year merchants from department stores, furniture stores, and specialty shops across the globe make more than 500,000 buying visits to the Merchandise Mart.

Come and see us too!

Our Company is an old-line legal reserve life insurance company, specializing in Accident and Health contracts and serving more than a million policyholders. Maybe we can add something to our visitors' knowledge of this business; maybe they can do the same for us. Anyway, you can find us on the job from 8:30 to 5, Monday through Friday, and it's always open house here.



## BANKERS LIFE & CASUALTY CO.

John D. MacArthur, President  
Kenneth at Lawrence Avenue, Chicago 30, Illinois

"Chicago's First Insurance Company"—Established 1879

## Mass. Mutual Puts Wiegert in New Rockford Post

Massachusetts Mutual has established a separate agency in Rockford, Ill., and has appointed Ray F. Wiegert, formerly co-general agent with Ernest M. Sawyer in La Salle, Ill., as Rockford general agent. Mr. Sawyer continues as general agent at La Salle.

Mr. Wiegert joined the company in 1937 and became co-general agent with Mr. Sawyer in 1945. After he gradu-



R. F. Wiegert



E. M. Sawyer

ated from Beloit college he was in the real estate and securities business. He represented Sun Life of Canada from 1932 until 1937. He is a past president of the junior chamber of commerce and the life underwriters association. He is a C.L.U.

Mr. Sawyer has been a general agent for Massachusetts Mutual since 1921. After William A. Gillespie's death in 1936, Mr. Sawyer continued as sole general agent until 1945, when he and Mr. Wiegert became partners.

Bernhard F. Kalb, Jr., company group supervisor, with offices at Rockford, now serves the Peoria, Davenport, Madison, La Salle, and Rockford agencies.

## Sonderegger Assumes Office as Wis. Commissioner

MADISON, WIS.—John L. Sonderegger, 33, resigned as state treasurer Sept. 30, and was sworn in as Wisconsin commissioner Oct. 1. He succeeds the late Morvin Duel, who died in August after a long illness.

Mr. Sonderegger's appointment was announced by Gov. Rennebohm several weeks ago, but Mr. Sonderegger continued as state treasurer in order to complete current audits. He had been named to the treasurer's post a year ago after death of the incumbent.

Appointment to the office of commissioner is subject to confirmation by the senate. In private business Mr. Sonderegger is controller and secretary of the Rennebohm Drug Co., a drug-store chain operated by the governor, who won the primary election for re-nomination on the Republican ticket and is expected to win in the November general election.

# Can You Beat It?

WE at Standard Life don't believe (contrary to the opinion of some people) that all life insurance policies cost the same. We think that for dollars paid-in, the Standard Life of Indiana gives back more through low premiums and higher settlement options than do most companies operating on the C.S.O. rates.

### FOR EXAMPLE—

#### Standard Life's Figures

#### Space for You to Figure

1. Take an insured age 35 buys a \$10,000 policy and pays the premium for say, 20 years (or use any period you want).

Rate per \$1,000 at age 35	... \$20.60
	x 10
Annual premium \$10,000 policy	... \$206
Years of premium	... x 20
Total Cost	... \$4,120

2. Kill off the insured and take 20 years of limited payments for the beneficiary (or take any other installment option you wish).

Monthly payment to beneficiary	... \$55.10
Months to year	... x 12
Annual payments	... \$661.20
	x 20
Payments for 20 years	... \$13,224

3. Divide dollars received by beneficiary by total premiums paid by insured. (Guaranteed.)

Number of dollars paid back by Standard Life for each dollar received	... \$13,224
	\$ 4,120
	=====
	\$3.20

Sure the above is competitive—that's the spice of life! There is no collusion in the life insurance business—each company is in fair competition with every other one. Write the Standard Life for further information. Agencies open nationally.

**STANDARD LIFE INSURANCE CO.**  
OF INDIANA  
INDIANAPOLIS

INDIANA

## Home Managers' Advisory Group Confers with Officers

The managers' advisory committee of Home Life met with the officers at the home office. James A. Fulton, president, expressed the appreciation of the officers for the important contribution of the committee.

William P. Worthington, agency vice-president, paid tribute to the three managers whose terms expired with the meeting. They are Vernon W. Holloman, Washington, D. C., who served as chairman the past year; Lester Horton, Newark, and Adolph R. Klein, Chicago.

Appointed for two-year terms were Hugh W. Davy, San Francisco; John J. Eichhorn, Greensboro, N. C., and Clarence Oshin, New York.

The advisory committee is made up of seven managers.

It is contemplated that agents will be invited to participate in discussions on matters affecting their work directly.

Lillian F. Reid, New York Life and A. J. Zern, general agent Northwestern National will address **Women Life Underwriters of Chicago** at a luncheon meeting in Mandel's tea room Oct. 18. They will discuss "Retirement Plans" and "Single Premium Annuities."



Top—Francis V. Keesling, president of West Coast Life and past president of A.L.C.; Valentine Howell, vice-president and actuary of Prudential, and Holgar J. Johnson, president of Institute of Life Insurance.

Center Panel—Cecil Fraizer, Health & Accident Underwriters Conference; Charles E. Becker, president of Franklin Life, and Charles E. Becker, Jr., assistant to the president.

Bottom—F. E. Huston, vice-president and actuary; A. B. Olson, vice-president, and Ralph E. Kiplinger, all of Guarantee Mutual Life.

## Pacific National Life Housewarming



Pacific National Life is holding open house Oct. 8 in its newly completed home office in the Pacific National building at Salt Lake City. This also comes at about the time of the 20th anniversary of the founding of the company. In the picture are shown the executives of Pacific National in the office of President Ray H. Peterson. In the top row, from the left are: L. W. Messinger, actuary; W. S. Barnes, secretary; Kenneth W. Cring, superintendent of agencies.

Seated: Mrs. Louise Larson, assistant treasurer; J. L. Firmage, vice-president; Mr. Peterson; William J. Lowe, vice-president and treasurer, and Mrs. Marian Harmon, assistant secretary.

Pacific National in its 20 years has written more than 50,000 policies and now has more than 30,000 in force. Insurance in force exceeds \$60 million, and the premium income totals about \$1,750,000. Pacific National now operates in 10 western states and in Hawaii.

### Conference for 26 Leading Managers of Metropolitan

Two managers from each of Metropolitan Life's 13 territories in the United States and Canada will attend a four-day advisory conference at the home office Oct. 18-21.

It will be the third in a series of yearly meetings to obtain the over-all viewpoint of managers from different sections of the United States and Canada respecting the company's policies in the field. The purpose is to obtain directly from the managers comment and suggestions that will be helpful to the company's operations and facilities.

The meetings are intended to supplement the conferences held from time to time by the president and other officers with managers in the field in territorial, association and district meetings. They also supplement the more frequent meetings of the superintendents of agencies with the managers in their respective territories, which, generally speaking, are on territorial and district matters.

To qualify, the manager must have been in a district which is either first or second in the territory for 1946 and 1947 combined on the basis of a point formula which rates over-all managerial

performance. However, no manager may attend more than two successive conferences, and if the same two managers should qualify in successive years, the manager with the second highest score is passed over in favor of the one with the next highest. If there were two or more managers in the district during the two years, the one longest in the district, provided it was at least eight months, is considered as having the priority. If there were none with at least eight months in the district, the invitation is extended to the manager in the district next highest in number of points, provided other qualifications were met.

This year managers of office accounts were made eligible for the conference equally with managers of regular districts.

### Two Get L.O.M.A. Keys

Two Mutual Benefit men, Robert Friesinger, city investment division, and Norman Knef, underwriting, were presented fellowship keys for completion of Life Office Management Assn. Institute courses by President J. S. Thompson at a dinner meeting at Newark. Prof. E. J. Oglesby of University of Virginia was speaker.

## To a Qualified and Ambitious Accident and Health Underwriter

Home office of life company in New York City requires man with technical ability to design policies and contact state insurance departments. Must have full knowledge of underwriting. Company is expanding accident and health program. Contemplated change known to our employees. No outside duties. Salary dependent upon experience. If interested write fully to Box R-92. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

★  
"HE'S A *Pacific Mutual* MAN!"



"There, my friend, you see a good neighbor. Whenever anybody in our community needs sound advice that's the chap they call for. His business? Why, he's a *Pacific Mutual* Man!"

**YES, PACIFIC MUTUAL MEN** are known in their communities as good neighbors in the broadest sense of the term. They're the kind of men people turn to instinctively for sensible counsel when problems arise. You'll find them, too, in every worthwhile civic project—youth activities, cultural, welfare and religious work. They're all-around community builders. Good life insurance men, too, are these Field Men of Pacific Mutual—selected for character and aptitude; trained by men who know how to train; fully equipped to meet every need of their fellow men and women for personal financial security. The kind of men you like to know; like to work with; Good Americans, are Pacific Mutual Men.

"There's A Pacific Mutual Plan To Meet Every Need"

LIFE INSURANCE  
ACCIDENT & HEALTH  
ANNUITIES  
COMPLETE GROUP  
SERVICE

and, very important . . .

THE NEW & UNUSUAL  
SAVINGS PLAN

A Complete Package of  
Economic Security

*Pacific Mutual*

LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIFORNIA  
General Agencies in Principal Centers in 40 States

## Returning Aboard the "Queen Elizabeth"



Mr. and Charles E. Becker and their twin daughters, Marylyn and Carylyn, returned last week from a two-month tour of Europe. Their trip included extended stays in France, Italy, Switzerland and England. They sailed from New York on the Cunard liner "Queen Mary," and returned on the "Queen Elizabeth." The trip was in the nature of a graduation present for Marylyn and Carylyn, both of whom graduated from Hockaday school in Dallas early this summer.

On his return Mr. Becker said that "one traveling through Europe returns with a feeling of deep satisfaction in being an American citizen." His trip has convinced him of the vital necessity of the European recovery program as a means of preventing, or at least

delaying war with Russia. Of England's plight he says, "Socialism is competition without prizes, boredom without hope, and statistics without end. It takes the heart out of young men. Certainly it is morally destructive."

The Beckers found their audience with Pope Pius XII a most impressive and inspiring experience.

They had a close call while in Switzerland. The car they were in was going up a narrow street and was taken out of the play by a street-car and another automobile coming from the opposite direction. The Beckers' car lost two fenders but there were no other casualties.

Mr. Becker feels that France is definitely the key to the international situation and if it were ever to go com-

peting but will have costs "largely continuing on stilts."

As to government inroads into the insurance field, Mr. Shanks mentioned that public assistance payments financed jointly by the state and federal governments came to \$1,313,000,000. Death claims paid by life companies in 1947 were \$1,339,000,000, or not much more than the public assistance payments. Twice the amount of public assistance payments were made under the various federal insurance programs and the veterans administration.

Mr. Shanks said that insurance can be best distributed in only one way—through the agents and brokers. He urged the spread of group welfare plans but only under sound underwriting practices and primarily for employees and limited to conditions where this primary purpose cannot be abused. If these conditions are met it is in the interests of all that as much mass coverage be placed as cheaply as possible at the taxpayer's expense. He emphasized that the employees of the small employer should be covered as well as those of the large employer and said that such mass welfare program selling will expand the market for the individual policy.

"The public is our master," he declared. "It wants mass coverage as well as individual policies. One way or another, the public will get what it wants. If we fail to mass-sell widely, we in fact abdicate in favor of the government. Abdication would be a catastrophe not only to the insurance industry but to our nation and to our way of life."

**Donald J. Larson**, formerly a personal producer with the Hal Baldwin agency of Occidental Life, has been appointed brokerage manager at Huntington Park, Cal. He has been with the Baldwin agency two years.

munistic "we would have more headaches than we are currently enduring by way of high taxes, arising from our rearmament program and the ERP."

## Communist Issue Arises

(CONTINUED FROM PAGE 1) because its officers have refused to sign non-communist affidavits as required by the Taft-Hartley act. Because of this refusal, the union's membership has been cut down by complying unions in recent months.

NEWARK—Communist control of the C.I.O. United Office and Professional Workers of America is the principal obstacle that prevents Prudential from bargaining with a group of its industrial agents at this time, according to Orville E. Beal, vice-president in charge of the industrial department.

The UOPWA's contract with Prudential, covering industrial agents in 31 states, expired on Oct. 1. Two other unions have petitions pending before the national labor relations board to be certified as accredited bargaining representatives for them.

### Compensation Not Involved

"Compensation and working conditions are no part of the issue at this time," Mr. Beal said. "We are ready to bargain with any union that is properly certified. The national officers of the UOPWA, however, have refused to sign the non-Communist affidavits required by the labor board. This means that they cannot be certified by the board as accredited representatives of our agents."

"Several thousand of our agents have already seceded from the UOPWA over this issue. Prudential has taken the stand that in the best interest of itself and its policyholders, it will not bargain with any union that cannot be certified because of the Communist affiliations of its leaders. We are notifying our agents to this effect."

### To Maintain Present Conditions

"We will, of course, maintain all present compensation and working conditions until such time as a properly accredited union can be certified as bargaining agent for the agents involved. The fact that we are ready to bargain immediately on compensation and working conditions with any certified union is proven by the fact that we are now bargaining with both the National Federation of Insurance Agents (AFL) and the International Union of Life Insurance Agents (Independent), in those states where one or the other of these unions is the certified representative of our industrial agents."

The UOPWA has represented a substantial number of Prudential's industrial agents since 1943. During the past few months, however, both the National Federation of Insurance Agents (AFL) and the International Union of Life Insurance Agents (Independent) have sought recognition in territory formerly represented by the UOPWA. States not affected by the dispute are Arizona, Arkansas, Delaware, Idaho, Maryland, Minnesota, Mississippi, Montana, Nevada, New Mexico, North Dakota, Ohio, South Dakota, Texas, Virginia, Wisconsin, Wyoming, and the District of Columbia.

### Record Class at S.M.U.

The largest basic class on record will finish their five-week course at the Southern Methodist University Oct. 29. There are 66 men and one woman attending, from 14 states and representing 34 companies.

All but five students are GIs; all but 18 are married; average age is 27. Time as life insurance salesmen ranges from 41 months at top to 90 days; 29 are college graduates.

Thirteen members of the class are sons of well-known life men. Grant Taggart, California-Western States Life, Cowley, Wyo., Million Dollar Round Table member and former president of N.A.L.U., has two sons in the class.

## AMERICAN UNITED OFFERS THE IDEAL PERSONAL PRODUCER'S CONTRACT

*Based on the principle of  
"High Pay for a High-Grade Job"*

- ★ LIBERAL FIRST-YEAR COMMISSIONS
- ★ LARGER RENEWALS, VESTED FOR NINE YEARS
- ★ SERVICE FEE AFTER THE TENTH YEAR
- ★ RETIREMENT PAY AFTER AGE 65

### American United Fieldmen Enjoy...

- ★ A complete kit of modern policy forms to meet every prospect's vital needs.
- ★ A Home Office that knows the agent's problems and helps him solve them.
- ★ An Underwriting Department handling sub-standard cases up to 500% mortality.
- ★ A placement average of 84% on business issued with extra ratings.

*Address the Agency Department for details*

**AMERICAN UNITED LIFE INSURANCE COMPANY**

Established 1877



Indianapolis

## LIFE SALES MEETINGS

### Tropical Hurricane Intrudes on Rally of Pan-American

A tropical hurricane altered some aspects of Pan-American's international convention but did not prevent the delegates from getting together in Havana as planned after the storm had passed.

It was originally planned that the United States and Latin-American representatives going to the convention would convene at the Hotel Nacional de Cuba in Havana. The United States delegates gathered in Miami where they were to board the S.S. "Florida" to go to Cuba, but just after their arrival in Miami, a fierce hurricane developed in the Straits of Yucatan. This meant that the United States delegation had to



K. D. Hamer



E. G. Simmons

remain in Miami until after the hurricane passed. Special convention headquarters was established at the McAllister hotel for the 250 United States delegates and their guests. Formal meetings were held and the convention officially opened in Miami. The part of the program, including panel discussions, which was originally scheduled to take place in Havana, was presented at that time, under the direction of K. D. Hamer, vice-president and agency director.

Similarly, special meetings were held in Havana for the Latin delegates who had already arrived. These meetings were conducted by Dr. E. G. Simmons, executive vice-president.

While meetings were being conducted in Miami and Havana, Crawford H. Ellis, president, Friend W. Gleason, vice-president and secretary, John Y. Ruddock, vice-president and actuary, and Commissioner Martin of Louisiana were riding out the storm aboard a United Fruit ship which they had boarded in New Orleans. Three days after their scheduled arrival date the sea subsided and they were able to dock safely in Havana.

The United States delegation was finally able to sail from Miami for Havana. A short joint meeting was held immediately after arrival, at which both delegations were officially welcomed to Havana. Also the six Latin American general agents who are responsible for \$27 million in annual production were formally presented to the group. Many interesting points developed when selling techniques of the Latin American delegates were compared with those of their United States colleagues.

At the President's banquet the principal speaker was Mr. Martin. The following day there were no formal meetings, to give the delegation an opportunity to see Havana.

### Boston Mutual Regionals

A regional seminar of Boston Mutual Life will be held at Springfield, Mass., on Oct. 6 following district visits on Oct. 4 and 5 in the company's western unit. Other seminars will take place at Andover, Mass., on Oct. 13; at Providence on Oct. 20; at Boston on November 4.

All agents, assistant managers and

its educational conference at the Ahwanee Inn, Yosemite National Park.

### Continental to Signalize Great Record Oct. 15

Continental Assurance has arranged for the national convention of its Pyramid Club at the Edgewater Beach Hotel, Chicago, Oct. 14-16.

More than 300 qualifiers will make it the largest meeting of representatives in history. Insurance in force stood at \$539 million on Jan. 1, 1946 and today has virtually doubled.

In order to permit all club qualifiers to visit with home office officials and department heads, time saved by scheduling shorter general sessions will be used for panel discussions.

A reception and dinner the evening of Oct. 15 will be a highlight of the convention. Guests of honor will include company directors, Gov. Green of Illinois and Mayor Kennelly of Chicago.

The convention will also honor veteran members of Continental's field organization. Heading the list will be John P. Leatherman, Lansing, Mich.

and Eugene G. Adams of Johnson & Adams, Washington, D. C., who have been in the continuous service of the company since its inception in 1911.

The major general session will be addressed by President Roy Tuchbreiter and Vice-presidents Howard Reeder, Joseph K. Dennis and Harry W. Dingman. A tour of the home office has been arranged for all qualifiers who have not had an opportunity to visit the company's new quarters on the lakefront.

### Retain Employe Benefit Initiative, Buyer Counsels

NEW YORK—Walter J. Couper, industrial relations manager for Union Carbide & Carbon Corp., declared at the personnel conference of the American Management Assn. at New York that employers should never surrender the initiative in providing employe benefits, but should work constantly to make company plans more flexible in view of changes in legislation, social security and economic conditions. He said that management can take a tip from the labor unions in hiring excellent technical advice in employe benefits. He suggested that the management team consist of an industrial relations man, a lawyer and a benefit plan consultant.

## Always Room At the Top

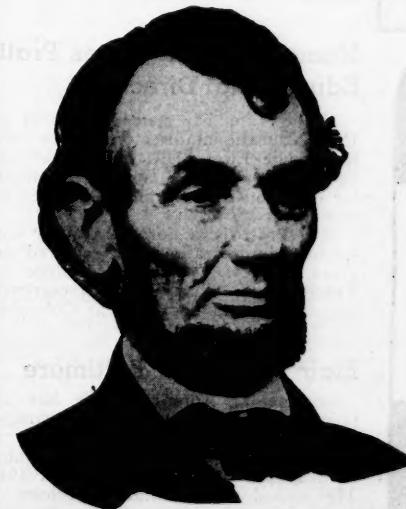
The LNL career underwriter with ambition to become a General Agent knows there are opportunities aplenty right with his own company. He knows this because 40 of the company's general agents have been promoted from the ranks. There's always room at the top with The Lincoln.

Lincoln National's promotion policy provides another reason for our proud claim that *LNL is geared to help its field men.*

**Its Name Indicates Its Character**

**The**  
**LINCOLN NATIONAL**  
**LIFE INSURANCE COMPANY**

**Fort Wayne 1, Indiana**



## LIFE AGENCY CHANGES

### Paul Miller to Philadelphia Life as General Agent

Philadelphia Life has appointed Paul S. Miller general agent for Delaware and the eastern shore of Maryland, with headquarters at Wilmington.

Mr. Miller graduated from Girard College, attended the commerce school of University of Pennsylvania, and started with Penn Mutual in 1930 as a clerk in the Harrisburg agency. He served as agency cashier for Penn Mutual at Omaha and in 1937 was made office manager at Cleveland. After a two-year absence from the business he returned to Penn Mutual in 1942 as a member of the staff of the agency vice-president at the home office. In 1944

he became executive secretary of Pennsylvania Assn. of Life Underwriters and in 1945 went with Equitable Society at Harrisburg. Six months later he was made district manager at Lancaster.

He has been active in Junior Chamber of Commerce work. In 1943 he served as Pennsylvania state president and in 1944 as national vice-president.

He was the founder and first president of the first Life Agency Cashiers Assn. at Omaha, and later served at Cleveland. He is now first vice-president of Lancaster Assn. of Life Underwriters and was its delegate at the N.A.L.U. convention.

John A. Latosi has been named agency supervisor at Buffalo for Equitable Life of Iowa.

## LIFE AND CASUALTY

INSURANCE COMPANY

OF TENNESSEE

**OVER TWO MILLION POLICIES IN FORCE**

A. M. BURTON, President

Home Office

Nashville, Tenn.

**\$300 to \$600 single**  
**1000 Rooms — 1000 Baths**

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### Berkshire Names Four in Pa., Ind.

Berkshire Life has appointed Everett H. Plummer and Benjamin M. Gaston of Philadelphia as general agents for eastern Pennsylvania; George H. Dorwart as district manager in Philadelphia; and James E. Bettis as general agent in Indianapolis.

Mr. Plummer joined the Philadelphia agency of Berkshire in 1903. His father headed the agency. The son became a partner in 1912 and in 1918 sole general agent on his father's death.

Mr. Gaston graduated from University



E. H. Plummer



B. M. Gaston

sity of Tennessee. At University of Pennsylvania he majored in insurance at the Wharton school. After obtaining a master's degree he took a debit with Metropolitan in 1932, later becoming assistant manager, field training instructor and field training supervisor. He is a C.L.U. In the war he was a lieutenant-colonel. He joined the Plummer agency on Jan. 1, 1948. His father and uncle were managers for Metropolitan.

Mr. Dorwart entered life insurance in 1929 as an agent of Guardian Life in

Philadelphia. In 1936 he became home office supervisor for Fidelity Mutual. Four years later he joined Berkshire in Philadelphia as assistant general agent.

At Indianapolis Mr. Bettis succeeds L. S. Wright, who is being transferred to another territory. Mr. Bettis served as lieutenant in the navy. He is a graduate of Butler University. He has had considerable experience in the life insurance business as a personal producer.



G. H. Dorwart



J. E. Bettis

### Home Life Designates Pratt Educational Director

Home Life has named Clifford O. Pratt educational director. Since joining Home Life in 1947, Mr. Pratt has had field experience and responsibility for direction of the training courses for new agents.

Mr. Pratt is a former teacher and school administrator. He received degrees at New York State College for Teachers at Albany and is currently preparing for a doctorate at Columbia.

### Blair Named at Baltimore

Continental American Life has appointed W. M. Blair assistant manager of the Baltimore agency. He was in sales work before entering insurance with Home Life in Baltimore in 1940. He joined Continental American in 1947. Recently he has been working out of the home office assisting managers and general agents.

### Sterling Enters Arizona

Sterling of Chicago has been licensed in Arizona to write life and disability insurance, bringing the number of states in which it is licensed to 15. Filings have been made in four other states and by the end of the year it is expected the total will be over 20.

C. C. Anthony of Douglas has been appointed agent for the state. He will have headquarters at Phoenix and will open branches at Douglas, Flagstaff and Tucson.

### Scott to Madison Post

Frederick C. Scott has been appointed general agent of Old Line Life at Madison, Wis. For the past year he has been a field superintendent for Old Line, going to Milwaukee from Eau Claire, where he was assistant manager of Metropolitan. He is past president of Chippewa Valley Assn. of Life Underwriters. S. L. Johnson, who has been with Old Line for 19 years, will continue with the agency as associate general agent.

### To Open Washington Branch

Dominion Life, Waterloo, Ont., plans to open a branch in the state of Washington, which will also serve Alaska. At present the company's operations in the U.S. are handled on an area manager basis, with no general agency contracts in effect in the states.

### Grace Is Davenport Manager

Raymond W. Grace, with the Toledo office of Acacia Mutual Life, since March, 1946, has been named manager at Davenport, Ia., effective Oct. 15.

### Wolfe Named at Toledo

Robert G. Wolfe has been named manager at Toledo by American United Life. Last year he was the company's leading agent in paid-for volume of new business in Ohio.

### First Appointees

Arthur Milton and A. A. Karduna, whose appointments as general agents at New York City and Brooklyn respectively were reported in a recent issue of THE NATIONAL UNDERWRITER, are Postal Life's first field appointees since the company embarked on an agency program. Mr. Milton was



Arthur Milton



A. A. Karduna

previously a successful personal producer for Equitable Society. Mr. Karduna entered life insurance with Metropolitan Life in 1936, later becoming brokerage supervisor for United Benefit Life and, in 1946, district manager for Security Mutual Life of Binghamton.

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## ACCIDENT AND HEALTH

### 300 Attend Philadelphia A. & H. Sales Congress

The regional sales congress conducted by A. & H. Assn. of Philadelphia attracted more than 300, including delegations from Baltimore, Washington, New Jersey and Brooklyn.

This was an afternoon and evening session with a cocktail hour and dinner.

There were five speakers on the program. William C. Cousins, supervisor of A. & H. production of Aetna, led off with a talk on "Planned Salesmanship." He said that the trend today is toward client building and that A. & H. is the first step which leads to other forms of insurance. Mr. Cousins advised studying all sales methods and reducing them to the ones which fit the individual agent. He said the estimate of individual needs should not be based on salary, but on take home pay which might be lost through injury or sickness.

#### W. S. Stuart Speaks

W. Stanley Stuart, district manager at St. Louis of General American Life, had as his topic "How to Make as Much Money as the Average College Graduate." He told of his own experience in setting a goal for one month of more than 100 sales. This required 507 calls, 260 contacts, 202 interviews and resulted in 102 sales. Mr. Stuart said he selects one month each year to exceed his previous record month. Once the objective is set, he breaks it down into a weekly and daily plan. He advocated being a "joiner" in every worthwhile organization, saying that this will eliminate prospect trouble.

O. J. Breidenbaugh, executive secretary of the National association gave a brief sketch of the progress being made by the National association.

#### Color in Sales Talks

John B. Lambert, manager of Mutual Benefit H. & A. at Cleveland, spoke on "Putting Color in Your Sales Talks." He said that many agents wall themselves in through formation of a negative personality, made up of a combination of bad work habits, absence of a smile, lack of imagination and vision, and complete disregard for the correct choice of words.

Mr. Lambert said that an agent to make a series of successful sales talks must use color. He offered some suggestions in the way of a series of varied approaches. All of them emphasize the emotional side which Mr. Lambert said is the most necessary ingredient in selling A. & H.

He suggested sending a direct mail letter to 10 small business men, saying merely "I'll be in to see you Thursday, let's get acquainted, we have mutual friends. I will only take a few minutes." When the agent calls, he brings with him three dollar bills, a quarter, a nickel and three pennies. Quickly drop the \$3.33 on the counter, Mr. Lambert said, and say "Mr. Jones, my name is John Smith. You received my letter telling you I would be in today. I want to tell you about the magic of this \$3.33." Mr. Lambert said the important part of the talk is to avoid hesitation.

#### Describes Monroe's Career

In another case, he said an agent can paste a five cent postage stamp on a one dollar bill. The stamp has the picture of President James Monroe, and the agent can describe his successful career and then point out that when he stepped down as President he was forced to take a job as justice of the peace in a small town and later became disabled and was forced to live with his daughter and accept charity.

The dinner speaker was Travis Wallace, president of Great American Re-

serve of Dallas, who gave his talk on "Shoot the Moon."

D. S. Walker, manager of Mutual Benefit H. & A. at Philadelphia, was toastmaster at the dinner. The Gafac Choral Society of General Accident entertained during the dinner. The group is a mixed chorus of 40 led by Director John S. Warren. The singers were well received and gave a number of encores.

#### Harrington and Blue Cross Head in Mass. Disagree on Law Recommendations

BOSTON — Commissioner Harrington, appearing before special legislative committee investigating Massachusetts Blue Cross, complimented the organization on having made good strides in endeavoring to meet some of his recommendations, especially one calling for the retaining of actuaries. He said, however, Blue Cross should have at least \$10 million reserve fund considering the great extent of its operations. He also feels the laws should be amended to put Blue Cross more directly under department supervision, in line with insurance companies.

Roger W. Hardy, director of Massachusetts Blue Cross, meeting Harrington's charges told the committee Blue Cross would "fold up" if supervision of its contracts and rates with hospitals were given to the state department of public health, one of the commissioner's recommendations. He saw no reason why rates charged by hospitals to Blue Cross should be subjected to state supervision while rates for non-Blue Cross members in the same hospitals were not.

#### Expounds His Theory

He believes Blue Cross should be "an association of hospitals formed for the purpose of providing hospital care, on a prepayment basis, to as many members of the community and at such cost as insurance principles and non-profit operations permit."

The Harrington plan, on the other hand, he added, would make Blue Cross a mutual insurance company and an association of members of a community restricted as to membership to those meeting special standards of health and employment. Its purpose would be to get hospital care for a price determined by the insurance department under contracts with hospitals determined by the health department, he claimed.

#### Holds Non-Can A.H. School

NEW YORK—Security Mutual Life, which recently entered the non-cancellable disability field, held a three-day school in New York City for the company's general agents from New York City, Philadelphia, Washington, Wilmington and Trenton offices.

The meeting, under the direction of Hugh A. Wedge, home office educational director; Edward A. Hauschild, secretary of accident and health, and Frank Scudder, assistant secretary of accident and health, was to familiarize general agents with the new coverages.

Security Mutual is the first New York state domiciled company to enter the "non-can" field, according to company officials.

#### Conference Meetings Set

A five-state regional meeting has been scheduled by H. & A. Underwriters Conference at the Curtis Hotel, Minneapolis, Nov. 4. Members from Minnesota, Wisconsin, North and South Dakota and Iowa will attend.

A group meeting will be held at Hotel La Salle, Chicago, Nov. 18-19. P. W. Watt, Washington National, is chairman.

The 1948-1949 conference directory, containing a list of conference members, states in which they operate, conference

officers, description of conference activities, and committee personnel, has just been issued.

#### Seminar at Newark

The J. Harold Kay agency of Security Mutual Life at Newark held a one-day seminar attended by more than 50 agents and brokers, devoted to accident and health coverage. Speakers were E. A. Hauschild, manager accident and health department; Frank Scudder, assistant secretary of that department, and Robert E. Richard, assistant manager of the

group department, who spoke on the new New Jersey disability act.

#### Tenn. Blue Cross Celebrates

CHATTANOOGA—At a dinner here Oct. 14, its third anniversary, the Tennessee Blue Cross commission will celebrate the enrollment of 250,000 members. Principal speakers will be Gen. Paul R. Hawley, chief executive officer of the Blue Cross commission of American Hospital Assn.; Richard M. Jones, Blue Cross director, and Commissioner McCormack.



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## NEWS OF LIFE ASSOCIATIONS

### Hold First State Conference in N. J.

Clifford H. Orr, National Life of Vermont, Philadelphia, president of N.A.L.U., addressed the largest group of top national, state and local association executives ever assembled in New Jersey during a two-day conference at Newark. He urged that \$10,000 of G.I. insurance be given free to those in the armed forces, but only for that time that they are in service. He also favored the broadening of the social security base to include farm workers, household workers, employees of non-profit organizations, federal civilian employees and professional men and women.

National officers at the meeting, sponsored by New Jersey Life Underwriters Assn., were Mr. Orr, James E. Rutherford, executive vice-president; Wilfred E. Jones, director of publications; James B. Hallett, attorney; Gordon D. McKinney, actuary; Herbert Hill, Life of Virginia, Richmond, national membership chairman, and F. LeRoy Garbrant, New York Life, Asbury Park, trustee.

On the state level were Salvatore Scudato, state president; John Wood, vice-president; and Preston Root, secretary-treasurer. All of the local chapters in New Jersey were represented.

General Agents & Managers Assn. of Northern New Jersey sponsored a cocktail reception for the guests from the National association. A banquet followed the reception.

#### Rutherford Reviews Legislation

Mr. Rutherford said the association is working with congressional committees in Washington, "seeking the correction of legislation which we believe discriminates against the owners of life insurance." He mentioned a new basis for the income taxation of annuities and the elimination of the "premium payment test" under the estate tax law, both of which it is believed should be corrected in the interests of policyowners.

Philip Torsney, chairman of the state legislation committee, said the New Jersey department is filled mostly with able career men who understand the problems of life men. Plans were discussed for improving service to the public and raising the standards of the business. Special training programs were outlined and the new agents' qualification and license bill passed in the state recently was approved. The meeting went on record as opposing the extension of savings bank life insurance in the state.

This was the first of 35 meetings planned by N.A.L.U. throughout the country, to help state and local officers with their problems.

President Scudato said the objectives of the New Jersey association for the coming year include a drive to increase the membership by 1,500, an increase of 30%. He requested a closer liaison between state and local associations. To accomplish this the board has decided to engage a full-time secretary and issue a monthly bulletin to exchange ideas between local and state associations. Work to establish new units throughout the state will be carried on. The organization of two new locals in Morristown and Redbank was announced.

Joseph W. Fox, agent of Berkshire Life, Jersey City, was appointed chairman of the sales congress to be held at Asbury Park next April.

#### Congress at McCook, Neb.

Southwest Nebraska and northwest Kansas life men will gather at McCook, Neb., Oct. 11 for an all-day sales congress. Speakers will include: William A. Fraser, Bankers Life of Iowa, Lincoln; Bert A. Hedges, Business Men's

Assurance, Wichita, and L. C. Baldwin, vice-president of Security Life & Accident.

Delegations from Beatrice, Grand Island, Kearney, Hastings, North Platte and Scottsbluff will attend.

### Chicago Regionals' Program Oct. 19-21 Announced

Program for the regional meetings of Chicago Assn. of Life Underwriters Oct. 19-21 on the south, west and north sides were announced this week. All agents in Cook county are invited to attend by R. R. Reno, Jr., Equitable Society, association president. The program is:

N. F. Capelia, assistant manager John Hancock, Calhoun agency, "Selling Family Income to Supplement Social Security"; M. J. Morris, district manager Prudential, "Why People Buy"; John E. Seguin, field training supervisor Metropolitan Life, "Business Insurance on Small Cases"; Mr. Reno, "Today's Challenge," and L. W. S. Chapman, director of company relations, L.I.A.M.A., "A New Set of Rules."

Tuesday only: Judd C. Benson, general agent Union Central, Cincinnati, and vice-president N. A. L. U.; Wednesday only: Earl M. Schwemmer, agency manager Great-West Life; Thursday only: P. B. Hobbs, agency manager Equitable Society.

Charles W. Calhoun, John Hancock, and Henry Perl, Metropolitan, are co-chairmen.

### LUTC Course at Hartford

HARTFORD—Announcement that the LUTC course will be given here was made by Colbert K. Barrows, president of Hartford Life Underwriters Assn. George J. Richards, Monarch Life, will be instructor. Chairman of the local committee in charge is Robert E. Wilkins, Prudential. Classes begin the last week in October at the University of Connecticut school of law.



G. J. Richards

### Divide Kan. Supervision

Kansas Assn. of Life Underwriters have divided the state into three divisions, eastern, central and western for supervision and extension work. Clyde Braden, Equitable Society, Independence, 1st vice-president, is eastern chairman; Don Mitchell, New York Life, Wichita, central, and Keith Hayes, Mutual Life, Hutchinson, western chairman.

New York State Assn. of Life Underwriters will hold a delegate meeting at New York City on Nov. 4-5 following a general committee meeting the evening of Nov. 3. On Nov. 5 an N.A.L.U.

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training conference for local association officers will be held

**Little Rock**—The high spots of the National association annual meeting at St. Louis were presented by a panel consisting of Foster A. Vineyard, Aetna Life, moderator; John O. Gaultney, New York Life; W. B. Putnam, Union Life and Tom Purvis, Equitable Society. Harry W. Ashmore, executive editor of the "Arkansas Gazette" presented C.L.U. certificates to Mr. Gaultney; Myron Dean, Union Life, and Frank W. Whitbeck, Union Life.

**Mobile, Ala.**—Martin J. Johnson, manager social security office, speaking on "Social Security and Its Relationship to Life Insurance," said social security was not intended to do the whole job of old age protection and that life insurance is needed in addition, to provide an adequate retirement income.

**Tallahassee, Fla.**—Judge Walter Moore spoke on "Ethics of Life Underwriting."

**Columbus**—John D. Moynahan, Metropolitan Life, Chicago, addressed the first fall meeting on "Together We Stand." Three were presented with C.L.U. certificates.

**Louisville**—Denis B. Maduro, New York City insurance lawyer, spoke on "Estate Planning Problems Under the New Tax Law."

**Syracuse**—Past presidents reenacted the council meeting of the N.A.L.U., thereby giving members an insight into the work of the national body. Paul Conway, John Hancock, national committeeman, presided. Newly elected officers are Earl V. Osborne, Berkshire Life, president; W. G. Hunter, vice-president; H. G. Barnhurst, secretary, and Grace V. McCrea, executive secretary and treasurer.

**Nashville**—Dr. Robert I. Mehr, professor of insurance at University of Illinois, addressed the first fall meeting. Plans for a training course to begin soon with Frank H. Phinizy as instructor were discussed by James P. Byrnes, vice-president of Life & Casualty, and C.L.U. recognition awards were made by Norris Maffet, president of Nashville C.L.U.

**Chattanooga**—The association is sponsoring a training course at University of Chattanooga. Sessions will be held each Monday night.

**Salina, Kan.**—Wm. M. Achgill, Metropolitan, has resigned as president, having been promoted to the home office staff in charge of expansion in the southwestern states with headquarters at Kansas City. He is succeeded by Oscar D. Mitchell, Equitable Society, who has been vice-president.

**Hastings, Nebr.**—The association here will be host Oct. 9 at a tri-association meeting. Rex Lear, Salina, president of the Kansas association, will be a speaker.

**Manhattan, Kan.**—The Salina association, under the direction of President Oscar D. Mitchell, Equitable Society, was in charge of the September meeting. This was one of a series of monthly meetings at which the Manhattan association invites other associations to present programs.

**Albany, N. Y.**—Harold F. Fleck, president, reported on the national convention. Ernest H. Perkins discussed C.L.U. classes.

**Los Angeles**—The woman's division at its first fall meeting heard some of the highlights of the N.A.L.U. convention of special interest to the women producers.

**Madison, Wis.**—Arthur Priebe, Penn Mutual, Rockford, Ill., a million dollar producer, spoke on "What's Ahead for Underwriters".

**Sheboygan, Wis.**—Ten members were presented national quality awards at the first fall meeting. After a review of the program by Richard E. Imig, Sheboygan, national trustee, the awards were presented by C. B. Engeswick, executive secretary Sheboygan Community Fund. Roman Wagner, president, reported on the national convention.

**Jacksonville**—National quality award certificates were presented to 17 members. Certificates of membership were presented to 10 qualifiers for membership in the state Quarter Million Dollar Round Table.

**Jackson, Miss.**—George Pickett is the new president, other officers being Ralph Hester and T. Jasper Lowe, vice-presidents; and Roland Darnell, secretary-treasurer.

**South Bend**—Milton Elrod, Jr., Indianapolis insurance lawyer, spoke on the need for business to establish trusts for employees, saying that business must set up pension plans to compete in the labor

market by offering prospective workers more than wages. E. H. Frei, Mutual Life, association president, conducted the meeting. Announcement was made of the C.L.U. classes to be held Monday and Wednesday nights. L. B. Wilson, Mutual Life, national committeeman, reported on his trip to the N.A.L.U. convention.

## C. L. U.

### Fort Wayne Group Elects

The Fort Wayne C.L.U. has elected Howard Meid, Equitable Society, president; George Carey, Northwestern Mutual Life, vice-president, and John Dyer, John Hancock, secretary. Kenneth Robinson, Mutual Life, retiring president, will continue to direct educational activities.

### Galesburg to Have C.L.U. Course

A four-year course leading to the C.L.U. designation has been approved for the Galesburg division of the University of Illinois. It is sponsored by the Galesburg Underwriters Assn. as well as the university undergraduate division.

### Indianapolis Holds Forum

A forum on "Group Life, Permanent and Casualty Insurance" was led by Horace E. Storer, Bankers Life of Iowa, in a dinner meeting Monday of Indianapolis C.L.U. Chapter. Four agents who recently were awarded the designation were inducted into the chapter.

### DuMoe Occidental's Salary Savings, Mortgage Chief

J. T. DuMoe has been appointed superintendent of the mortgage protection and salary savings department of Occidental Life. He entered life insurance business with Missouri State Life in 1924 and prior to joining Occidental in 1937 served as branch manager, supervisor of agencies and group manager for several other mid-western companies.

A pioneer in mortgage insurance, Mr. DuMoe has taken an active part in the development and refinement of Occidental's mortgage protection and salary savings plans.

### Heyl Forms Peoria Law Firm with Royster and Voelker

The Heyl, Royster & Voelker insurance law firm has been formed at Peoria, Ill., it was announced by Clarence W. Heyl. Associated with him are John H. Royster and William J. Voelker, Jr. Office is in 809 Central National Bank building. The firm continues to specialize in adjustment of insurance losses and defense of insurance causes.

Mr. Heyl, senior member, was graduated from Illinois Wesleyan law school in 1907 and has practiced law in Peoria since then. He is a past president of the Illinois State Bar Assn., and in 1942-1946 was president of the state board of law examiners of the supreme court. He is chairman of the state bar's insurance law section.

Mr. Royster is a graduate of North Western University law school and has practiced with Mr. Heyl since 1934 except for service with FBI for 3½ years. Mr. Voelker, a University of Wisconsin law school graduate, practiced in Wisconsin, then was in army service 1942-1946, rising to captain. After discharge he joined Mr. Heyl.

Also associated with the firm are John R. Littler and Elliott B. Young, who have been associated with Mr. Heyl for a year or more.

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## MUTUAL SAVINGS

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## EDITORIAL COMMENT

### How to Work Efficiently

Having always worked with a cluttered and untidy desk, we listened with envy the other day when an executive in the insurance business told how he increased the efficiency with which he employed his time.

When he comes into his office in the morning, his desk is clean. The mail is brought in and deposited in the center of his desk. He takes up one item at a time. If he can reach a decision and take action at once, he does so, and puts the finished work in the top right-hand drawer. Those items that he can't act upon at once, he puts in the top left-

hand drawer—his "suspense file"—to come up at an appropriate time.

When he is finished with his mail, desk is again clean and he tackles whatever may be left over for a decision from the preceding day. He can then get out and do some creative contact work.

The real saving in time comes from handling one item and disposing of it before he turns his attention to the next one, he said. Even though we don't seem to be able to follow this procedure ourselves, it is a wonderful idea and we recommend it.

### N.A.L.U. Actuary Proves "Sympathetic"

Before the appointment of Gordon D. McKinney as actuary of the National Assn. of Life Underwriters, the cry had been raised in certain circles for the appointment of a "sympathetic" mathematician. By this was meant, of course, an actuary who would be "sympathetic" to the agents' point of view. The implication was that most actuaries, being company trained, are prejudiced in favor of the companies. Now that the hopes of a decade have been fulfilled, and N.A.L.U. has appointed Mr. McKinney, it becomes obvious from his first official report that he is the kind of man an actuary should be. He is "sympathetic," yes, but "sympathetic" to the truth. At the meeting of the committee on agents' compensation he presented the results of his study of 126 companies which had answered the compensation questionnaire sent out by N.A.L.U. and L.I.A.M.A. It was a non-partisan, workmanlike and unostentatious analysis and presentation of facts. He made no sensational claims and pretended to no startling discoveries.

Mr. McKinney was meticulously careful to point out that the answers to titles four and five of the questionnaire have been only partly summarized. He prefaced his report with the comment that the compensation plan of a particular company must in fairness be considered as a whole, and that even with this done, the complete story will not always be told. He told the committee that a compensation plan depends not only on the rate of commission, but on the number of renewals and service fees paid and vested, the persistency and club benefits provided, the pension and group benefits available, the company training program and field service, the prospecting assistance ren-

dered, the competitive quality of the rates and the good name of the company among other things. He indicated that his investigation was merely to detect trends and was not an attempt to appraise all these items as a whole. He indicated that he understood that a great many of these factors are intangibles which defy actuarial analysis. He is aiming to give the compensation committee pegs of facts upon which to hang their determinations, but will not even pretend to focus his statistical weapons on questions which are outside his province.

In establishing himself initially as a man whose sympathies are with provable facts and figures, who will avoid a stand colored by emotions, Mr. McKinney has started off right as the answer to the prayers of a succession of compensation committees. An actuary is of little use to them unless his integrity is unquestioned and he has the respect of the companies. An actuary bent on proving that the company people are heartless ogres would be worse than nothing to the agents' cause.

Mr. McKinney is experienced in both company and agency relationships, having devoted a considerable amount of study and time to the revision and development of agency contracts and retirement plans with his former company. His work in this field undoubtedly influenced his choice by the agents as did the respect with which he was held by his fellow company actuaries. It is to the advantage of N.A.L.U. that he continue to merit this respect.

No one recognizes better than Mr. McKinney that his job is difficult because it is pioneer. He recognizes that his position as a fact-gatherer engaged in disinterested research must be clear

in what are perhaps the most important determinations which face the life insurance industry today.

If Mr. McKinney's task is a difficult one, still more important will be the job of the four agents and three general agents or managers that the compensation committee decided at St. Louis should represent N.A.L.U. in deliberations on compensation with company organizations. Theirs is the job of interpreting and integrating Mr. McKinney's findings and of evaluating the temper of the majority of agents in the matter of the compensation. They must act with conviction, but without that belligerence which might cause such ill-feeling as to result in an impasse.

Equally important, of course, will be the jobs of the men who represent the companies in this deliberation which the agents hope can be begun in December. They also must approach such

a conference in good faith. It is essential that they be executives who are in a position to speak for the companies and at the same time have a working knowledge of the whole compensation question.

No one who sat in on the sessions of the compensation committee at the N.A.L.U.'s annual meeting, can fail to see that the temper there was for action to acquaint companies with the position of N.A.L.U. The compensation study by the N.A.L.U. committee has been a long one and there are numerous critics who point out it has been a slow one, but as one veteran commented at St. Louis, the committee, armed with an actuary, and on better terms with L.I.A.M.A. and the company organizations than ever before is in the best position in its history to transmit its recommendations to the industry.

## PERSONAL SIDE OF THE BUSINESS

**Charles A. Macauley**, general agent of John Hancock Mutual at Detroit, will be guest of honor at a luncheon marking his 50th anniversary with the company Oct. 22.

**Evans Woollen, Jr.**, new president of American Bankers Assn., is a director and member of the executive committee of State Life of Indianapolis. He is chairman of Fletcher Trust Co. of Indianapolis.

**Takao Yamauchi** of Honolulu, a leading producer of United States Life, visited the home office recently after attending the National Assn. of Life Underwriters convention as a delegate and the Million Dollar Round Table as a two-time qualifier. He also attended the National Parent-Teachers Assn. meeting in California as chairman of the home and family life committee of the Hawaii Congress P.T.A.

**Stanley Collins**, Metropolitan Life, Buffalo, president New York State Assn. of Life Underwriters, is convalescing at Our Lady of Victory hospital in Buffalo from a major operation.

**George C. Lewis**, Logansport, Ind., district manager of Prudential, and **William A. Barton**, district manager at Denver, marked their 40th year with the company this week.

**M. F. Kennedy**, insurance periodical correspondent of San Antonio, was elected an honorary member of the Texas Assn. of A. & H. Underwriters.

**John R. Larus**, vice-president and actuary of Phoenix Mutual Life, has completed 35 years with that company. He joined Phoenix Mutual in the actuarial department following his graduation from Yale and was advanced to assistant and associate actuary, becoming actuary in 1929 and assuming his present position in 1934. He is a fellow of the Actuarial Society of America and for several years was editor of "Actuarial Transactions." He also is a member of American Mathematical Society, American Institute of Actuaries, American

Statistical Assn., and International Congress of Actuaries.

**Edward Fitzsimmons**, who was elected secretary of Manhattan Life in August, was guest of honor at a welcome luncheon in New York city attended by company officers and department heads. Also present were Julius Sackman, chief of the New York department's life bureau and Arthur Snyder, executive vice-president A. M. Best Co., with whom Mr. Fitzsimmons formerly was associated as editor-in-chief.

## DEATHS

**Charles J. Martin**, former 2nd vice-president of Equitable Society, died at his home at Freeport, L. I. He retired in 1944 after 51 years with Equitable. He started as an office boy, became deputy controller in 1910, assistant treasurer in 1915, superintendent of the home office purchase department in 1917, and manager of mortgage loans and real estate in 1927 and 2nd vice-president in charge of mortgages in the New York metropolitan area in 1937.

**William N. Bragg**, 68, of Oklahoma City, died there. He started at Little Rock as special agent of National Life & Accident but was soon transferred to Monroe, La., as state manager for that company. Before going to Oklahoma City about 1918 as manager for Oklahoma, he had served in similar capacity at Alexandria, La., and Little Rock. At the time of his retirement nearly three years ago, he had been with the company 32 years and Oklahoma manager for 28 years.

**Henry P. Blair**, 80, president of Equitable Life of Washington, D. C., died in a hospital there. A lawyer, he was elected president of the company in 1914 and, since the death five years ago of its secretary, had been directing its affairs. He was a well known civic leader. It is reported that he turned down an appointment to the Supreme

## THE NATIONAL UNDERWRITER

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MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editors: Russell Porter and Donald J. Reap.

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

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October 8, 1948

Court offered by a President some years ago, stating, "I think I'd rather stick to the insurance business."

Mr. Blair is credited with pioneer work in the field of prepayment hospital service. He drafted articles of incorporation for Group Hospitalization, Inc., and wrote its original subscribers' service contracts.

John Y. Hamilton, who retired in 1944 as Louisville manager of New York Life, died shortly after being stricken with a heart attack while playing golf at Audubon Country Club. His age was 60. He went to Louisville in 1913 as a clerk for New York Life, then was transferred to Sioux City, Iowa, where he later became manager. He

returned to Louisville as manager in 1939.

Henry Phillips, 82, retired life general agent, died at Syracuse, N. Y. Following a career as a newspaper advertising executive, he joined the Syracuse agency of Northwestern Mutual in 1897



HENRY PHILLIPS

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THE BOURSE PHILADELPHIA

as special agent. In 1916 he was named general agent for central New York and continued in that capacity for 13 years until his retirement in 1938 when he reached age 72.

Charles J. Wightman, veteran district agent of Connecticut General Life at Waukegan and Grayslake, Ill., died in the grade school auditorium at Grayslake Monday at the age of 77. He had been selling life insurance since 1905, in more recent years in association with his son Elwin, both representing Connecticut General. Mr. Wightman was active in Masonry and was grand lecturer for Illinois since 1902 and for many years deputy grand master for the 21st district of Illinois.

Enoch J. Brand, well known Chicago life agent who for a number of years a decade or more ago was general agent of Lincoln National Life and then was associated with C. O. Reynolds, who took over that agency, died Sunday in his home from a heart attack. He was 62.

Mr. Brand at one time was connected with Travelers, going through the home office school and being stationed in Hartford and other eastern cities. After going to Chicago, for five years—1924-1929—he was life department manager for Bowes & Co., which then was general agent of Travelers, and later joined Lincoln National.

He became a specialist in group life, A. & H. and hospitalization insurance. For the last 4½ years he had been an agent in the E. T. Sabin home office agency of Federal Life. Mr. Brand was active in the Republican party in the region of Winnetka, Ill., where he resided.

### Hancock Plans Rental Housing Project in Mich.

A second rental housing project, similar to its suburban Boston development, is planned by John Hancock for Dearborn, Mich., on property purchased from the Ford Foundation and the Ford Motor Co. The property includes the Ford Foundation's 200-family housing project at Springwells Park. Both developments will be operated by John Hancock.

Hancock Village, the garden village development in suburban Boston, is nearing completion and it is expected that it will be fully occupied by next May. It already has 500 residents. A commercial area is rapidly being constructed which will contain stores, a bank and an air-conditioned moving picture theatre which will seat 1,000 people.

**LIFE INSURANCE COMPANY  
OF GEORGIA**  
THE OLD RELIABLE • SINCE 1891  
HOME OFFICE — ATLANTA

45,000 square feet of new Home  
Office space nearing completion

## COMPLETE BROKERAGE FACILITIES

All Life, Endowment and  
Annuity Plans

Facilities for handling large  
cases

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Civilian Foreign Travel  
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Standard and Sub-Standard  
risks

Annuities—Single Premiums  
up to \$200,000

Prompt and efficient Service

INSURANCE IN FORCE 1,095 MILLION DOLLARS

(Including Deferred Annuities)

ASSETS, 358 MILLION DOLLARS

**THE MANUFACTURERS  
LIFE COMPANY**  
HEAD OFFICE • TORONTO, CANADA

## A JUVENILE'S APPRAISAL

We are letting a juvenile member of Royal Neighbors of America write this advertisement.

In appraising her membership in Royal Neighbors of America she wrote:

"Training received in our Royal Neighbor juvenile camps develops honest, successful, self-reliant and trustworthy citizens. Juvenile ritualistic work and activities develop leadership.

"Royal Neighbor juveniles are taught to be kind and helpful. They are urged to call upon those who are sick and in distress and so help to lighten their burden. In doing these things they serve mankind and in turn their country. And last, but not least, the society provides valuable life insurance, based on the lesson of thrift, and a free health service."

## ROYAL NEIGHBORS OF AMERICA

SUPREME OFFICE, ROCK ISLAND, ILL.

A LEGAL reserve fraternal life insurance society for all Lutherans on 3% American Experience reserve basis. Thirty years old — \$215,573,110.00 in force. Mortality experience 1947 18.10%. Rate of assets to liabilities—108.36%.

Our new agents' contract, with retirement program, has been enthusiastically received by our agency force. You, too, will be interested.

Address your letter of inquiry to  
THE SUPERINTENDENT OF AGENCIES

## LUTHERAN BROTHERHOOD LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

Herman L. Ekern, President  
600 Second Ave. So., Minneapolis 2, Minnesota

### ASSETS

**\$44,841,621**

## SUPREME FOREST WOODMEN CIRCLE

Omaha, Nebraska

## COMPANIES

### Mass. Mutual Hires Long, Veteran Insurance Lawyer

Massachusetts Mutual has named Rowland H. Long assistant counsel. He has been with the prominent New York law firm of Tanner, Sillocks and Friend, as trial and appellate counsel, and has represented many life insurance companies. Specializing in trials and appeals in insurance, workmen's compensation, negligence and general commercial cases, he has represented Zurich, Employers Liability, American Employers, and Independence Indemnity.

He received his LL.B. degree from Fordham university and his L.I.M. degree from the New York university. He was admitted to the New York bar in 1926. From 1927 until 1938 he was a member of the faculty of St. John's University law school and conducted for postgraduate classes the first formal course in the east on aviation law. He is the author of the 4th edition of Richards on the Law of Insurance.



R. H. Long

### American United Life Sells American Central Building

Sale by American United Life, Indianapolis, of the former home office building of American Central, its predecessor company, was announced this week. The building is occupied by general business offices and the home office of Jefferson National.

Names of the buyers and sale price are being withheld, although it appears the sale figure was over \$600,000.

The building, an historic landmark, occupies one corner of Monument circle, the city's hub. It is said the buyers plan eventually to raze the structure to make way for erection of a modern office building. Equitable Society has acquired the old English Hotel, which occupies an entire quarter of the circle, and will raze it to erect a modern store building for J. C. Penny Co.

### Philadelphia Life Passes \$100 Million in Force

Philadelphia Life has exceeded \$100 million insurance in force for the first time in its history. This represents a gain of more than \$17,000,000 or 21% over the \$83,000,000 in force a year ago. Philadelphia Life agents produced over \$16,700,000 of new business for the year to date, representing increases of 52% over last year, 65% over 1946 and 349% over 1945.

## AGENCY NEWS

### John Hancock Boston Agency Back to Its Old Home

The Boston general agency of John Hancock Mutual Life held open house Monday in its new offices at 49 Federal street, the building which a quarter of a century ago housed the home office of John Hancock. In 1921 the agency was organized by Paul F. Clark, now president of the company, occupying three small offices on the third floor of the building. The agency moved in 1926 to 1 Federal street, and was located there until its most recent move. The agency is now managed by Frank T. Bobst and Robert B. Pitcher, gen-

eral agents, with Clifford D. Strout and Corinne V. Loomis as associate general agents. Its full-time organization consists of 45 agents, 10 of whom are women.

### Niemann Passes \$50 Million

The W. K. Niemann agency of Bankers Life of Iowa at Des Moines has passed the \$50 million mark in life insurance in force. It has led the company's agencies for 11 consecutive years and now has 20,261 policies in force on the lives of 17,066 individuals. The agency has a territory of 19 counties in central Iowa.

### Crofoot Has Housewarming

Manager Jack F. Crofoot of Manufacturers Life entertained Baltimore life insurance men at his new quarters in the Mercantile Trust building. Present from the home office Vice-president J. H. Lithgow, A. Kinch, manager of agencies, and Dr. R. C. Montgomery, medical director.

### Hedges Has 21st High Month

The Kansas agency of Business Men's Assurance reports that September was the 21st consecutive month in which new all-time high production records have been set, according to Manager Bert A. Hedges.

### Sargent Joins Ober Agency

D. W. Sargent, Jr., has become an associate in the Robert F. Ober general agency of Berkshire Life at Chicago. He has been industrial development representative for one of the Chicago railroads, and in the war served four years with the marines in the South Pacific, returning to inactive duty as a captain. He is a graduate of Amherst College.

## FRATERNALS

### All Fidelity Life Officers Reelected at Detroit

All officers of Fidelity Life, Fulton, Ill., were reelected at the quadrennial convention held for three days in Detroit. Walter C. Below is president; Frank W. Hough, secretary, both of Fulton, and John W. Loots, Clinton, Ia., treasurer.

Honorary officers elected are: Emma Bartnek, Chicago, conductor; Emma Koltz, Harvard, Ill., monitor; Alyce Peterson, Omaha, warden, and Ida Roehrig, Wyandotte, Mich., sentinel.

Gains in all phases of the business were reported. Recently the society passed the \$60 million mark of life insurance in force.

### Royal Arcanum Holds International Session

The average interest yield on Royal Arcanum invested securities during 1947 was 3.33% while 98.87% of all interest which accrued upon mortuary fund investments were collected and the solvency ratio of 112.54% for 1947 was the highest ever achieved, it was reported at the 69th international session of Royal Arcanum supreme council at Swampscott, Mass. Eleven new councils were instituted last year.

Legislation at the meeting included adoption of two new certificates, a whole life certificate paid up at 80, and one paid up at 65. The rates for the new certificates were based on the CSO mortality table, with an interest assumption of 2 1/2% on the preliminary term plan as modified by the Illinois standard.

Supreme council meetings hereafter are to be on the first Tuesday follow-

## Fraternity + Protection

With the safe, sound, legal reserve Woodmen Life insurance protection they enjoy, the "Fraternity in Action" program of Woodcraft gives members opportunities for fraternal fellowship and community service.

One of the outstanding fraternal activities of Woodcraft is its semi-military Uniform Rank which is holding a National Encampment at Hot Springs, Ark., August 29 to September 4.

## WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

Omaha, Nebraska

## Satisfied Field Representatives Get Best Results

A new man delivered \$87,000 in his first four months—a quarter million a year. Why? Because he had modern policies—could write Men, Women and Children—medical or non-medical basis. Good Home Office cooperation.

Good territory in Illinois, Michigan, Minnesota and Wisconsin.

## EQUITABLE RESERVE ASSOCIATION NEENAH, WISCONSIN

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ing the first Monday in September in each even numbered year.

Officers for the coming two years are: Supreme regent, Edmond A. Knoepfle, New York; supreme vice-regent, Edward E. Sedgley, Pennsylvania; general counsel, Milton A. Willment, Jr., New York City; secretary, Herbert F. Hotchkiss, Massachusetts; treasurer, William H. Zook, Colorado.

Members elected to the executive committee are Richard Kropf, Illinois; George W. Mercer, New Jersey, and Charles H. Pulis, New York.

## Fidelity Total in Force Now \$60 Million

Fidelity Life, Fulton, Ill., achieved \$60 million of life insurance in force Sept. 1. This represents a considerable acceleration in growth in the last few months. Gains in force for the first eight months were 79% higher than for the same period last year. The \$59 million mark was passed in March. Since Jan. 1 sales representatives have been participating in a "\$60,000,000 for Walter" campaign, honoring President Walter C. Below.

The society's total in force is an all time high. New life insurance sold in August amounted to \$668,000, the second best sales month on record and a gain of more than 45% over August, 1947.

## Haentzschel in New Post

Dr. Lester E. Haentzschel, an assistant medical director of Massachusetts Mutual Life since 1946, has been appointed medical director of Aid Assn. for Lutherans. He was a lieutenant-colonel in the army medical corps and served in the Asiatic-Pacific theater. He is a graduate of the University of Wisconsin and the Washington University medical school in St. Louis. He served as city physician at Lincoln, Neb., for a year and then took up private practice until going into military service.

## MANAGERS

### "Pilot Plant" Round Table Series Starts at Dallas

The "pilot plant" round table in life insurance agency management of Life Insurance Managers Club of Dallas held its first session Oct. 4, in charge of R. Barney Shields, Great National Life. A. R. Jaqua of S.M.U., who will conduct the entire series of sessions, served as moderator. Of the 59 enrolled general agents, managers and home office executives from Dallas and Fort Worth, 43 were in attendance. The first session was devoted to a survey of the essential duties of the manager under the question-topic, "What is my job as an agency manager?"

Each enrollee was provided with a loose-leaf binder bearing his name and a set of five pages of outline of the topic of the day prepared by O. Sam Cummings, Kansas City Life, who with Paul Speicher, of R. & R. Service, is preparing the outlines for all 17 sessions.

"Pilot plant" round tables using the same topics under the same plan are being conducted simultaneously at Dallas, Indianapolis, and Pittsburgh.

If the round tables in these three cities the coming fall and winter prove successful, all outline material and the procedures developed in organizing and conducting them will be passed on next spring to the new national program

committee of the general agents and managers committee of N.A.L.U. for use on a national scale.

## Start Series on Income

SEATTLE—Life Managers Assn. at a luncheon Monday started a series of practical discussions of "Old Age Income vs. Family Protection Income; Where Should the Emphasis Be?" Paul Green initiated the series with a talk in which he said old age income should be given greater emphasis.

Commissioner William A. Sullivan of Washington reviewed discussions at the recent Philadelphia gathering of National Assn. of Insurance Commissioners. Seattle will be host to the commissioners next year.

## Zimmerman at Albany

Charles J. Zimmerman of L.I.A.M.A. addressed a luncheon meeting of General Agents & Managers Assn. of Albany.

The Fort Worth Life Managers & General Agents Club heard a discussion on "Initial Training" led by Leon Landon, Southland Life.

## COMPANY MEN

### Mutual Life Appoints Three H. O. Training Assistants

Mutual Life has appointed three assistant managers as home office assistants to the director of training as of Nov. 1. They are Clayne Robison, Salt Lake City; Norman L. Horner, San Francisco, and Fred H. Hardy, Birmingham.

Mr. Robison has been in life insurance since 1931 when he joined Mutual Life at Salt Lake City. Following his army discharge, he rejoined the company in Boise. In 1946 he was named assistant manager of the Salt Lake agency. He is a graduate of the University of Idaho.

Mr. Horner has been assistant manager at San Francisco agency since



Clayne Robison



N. L. Horner



F. H. Hardy

upon graduation from Wabash. He went to Standard Life of Indiana as assistant to the general manager and entered the army in 1942. After separation, he was employed at the army finance school at St. Louis. In 1947 he went to S. M. U.

## Bickel Amer. Nat'l Training Director

M. O. Bickel, formerly with Mutual Life, has been appointed director of training by American National. He will head a new department in charge of training for both the industrial and ordinary agents.

Mr. Bickel is presently engaged in making a complete survey of the training needs of the company's industrial and ordinary field organization. This research will be completed by the end of the year, when he will be joined by Ben Williams, who



M. O. Bickel

has been retained as sales training consultant to assist in developing American National's program. Mr. Williams is well known in the training field, having built training programs for the Bankers Life of Iowa, Southwestern Life and Mutual Life.

Mr. Bickel graduated from University of Nebraska in 1938, where he received his LL.B. degree. He is licensed to practice law in both Nebraska and Illinois. He engaged in the sale of life insurance while in college and has continued in the business since graduation with the exception of two years in the navy.

## Standard Creates P.R. Post

James P. Johnson is now director of public relations for Standard of Oregon. The post is a new one. Mr. Johnson has been with the Northwestern Bell Telephone Co. for 15 years. He is a graduate of the University of Minnesota.

## Heads Office Administration

Arthur Hann of Cleveland is the new manager of office administration at the home office of Lincoln National Life, succeeding Miss Elizabeth O'Rourke, who retired Oct. 1 after 25 years of service.

## MUTUAL TRUST LIFE INSURANCE COMPANY Chicago

One of the Lowest Net Cost Companies in the United States

### A GENERAL AGENCY COMPANY

The States in Which It Operates Indicate Its Character:

#### West

Illinois  
Indiana  
Iowa  
Michigan  
Minnesota  
North Dakota  
Ohio  
Washington  
Wisconsin

#### East

Connecticut  
Maine  
Massachusetts  
New Hampshire  
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New York  
Pennsylvania  
Rhode Island  
Vermont

A Few Outstanding General Agency Opportunities in the East and Middle West.

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Men Who Believe They Have General or District Agency Qualifications May Obtain Full Particulars by Addressing the Agency Department.

NOTHING BETTER IN LIFE INSURANCE

## Exceptional Opportunity

Established Life General Agency in the State of Maryland

Available to the right man

Proven Personal Producer wanted to expand present business

This is a Company Advertisement

Address R-59

NATIONAL UNDERWRITER

175 West Jackson Boulevard, Chicago, Illinois

**THE WOMAN'S BENEFIT ASSOCIATION**  
Founded 1893  
A Legal Reserve Fraternal Benefit Society  
Agnes E. Koo, Supreme President  
Frances D. Partridge, Supreme Secretary  
Port Huron, Michigan



Since  
1867

Eighty-one years have passed since February 9, 1867, when the Equitable Life of Iowa issued its first policy,

During the intervening decades, the company and its field representatives have served well and faithfully the essential life insurance needs of policyholders and prospects. The company's sound, progressive management, and the able and conscientious efforts of its field force, have contributed to the ever increasing prestige of Life Insurance as an institution.

In the days to come, the Equitable of Iowa pledges a strict and continuing adherence to the spirit of trusteeship which has dominated its every transaction with the insuring public.

# Equitable Life of Iowa

*Founded in 1867 in Des Moines*

# Breadth of Outlook Marks ALC Meet

## Says Trusteeship Includes Guarding Dollar's Value

**Richardson, ALC Head, Hits Inflation Factors, Government Spending**

Full trusteeship, for the life insurance business, does not stop with prompt payment of obligations but includes every effort consistent with national security to make sure that the dollars paid to future beneficiaries are as nearly as possible the same kind of dollars as those for which the respective policyholders believed they were contracting when they applied for their protection, said R. B. Richardson, president Western Life of Montana, in his address as president of the American Life Convention at the A.L.C. annual meeting in Chicago this week.

Mr. Richardson was discussing the effect of inflation on life insurance policyholders and beneficiaries. He said that the causes of inflation are, like termites, innumerable, though some are particularly dangerous, notably the proportion of the national income required to meet expenditures of government and the cheap money policy fostered by the government. He said that "too many of us" lack the courage to face even the meeker varieties of termites, for it is difficult to speak frankly without offending certain groups.

### Government Costs More Than Food

"If the public could come to understand that the cost of government exceeds the cost for feeding the nation, the people might well have more concern as to federal expenditures," he declared. "The more than 2 million civilian employees in the executive branch of the government—one for every 21 federal income taxpayers—is increasing," he continued, going on to praise the work of the Hoover commission.

As an example of the effect of cheap money, he pointed out that an individual who purchased a United States savings bond in 1938 for \$750 would receive \$1,000 in 1948 but the \$1,000 of 1948 dollars is approximately equal to \$500 in 1938 dollars. Assuming only a 20% income tax bracket, this investor finds that he has \$950 instead of \$1,000, and that his remaining \$950 is worth \$475 in terms of 1938 purchasing power. Thus his \$750 invested in 1938 has shriveled to \$475 in terms of 1948 purchasing power, resulting in a loss of \$275.

### Urge Monetary Commission

Mr. Richardson gave emphatic support to suggestions made for a commission to study monetary policies of the government, as well as laws governing it but said it was not his intention to make definite recommendations as to specific cures for inflation, that being a task for a group of the best qualified experts in the nation to determine. There must be courageous leadership, which should be encouraged and inspired, he said, adding that the commission for organization of executive government sets up a model that might well be used in tackling this problem. He said it should be possible to find a common ground on which to lay the foundation of a similar commission, the purpose of which would

## FROM MONTANA TO MISSOURI



W. E. Bixby, president of Kansas City Life and new president of American Life Convention, and R. B. Richardson, president of Western Life of Helena and retiring A.L.C. president.

## Financial Men Show Keen Interest in New Channels

Financial officers of life companies have a definite and even lively interest in explaining new and, by former standards, unorthodox investment possibilities. This was obvious at the meeting of the Financial Section where speakers described what they felt to be the advantages of such unconventional securities as equity housing, private placements and the International Bank. Two speakers absorbed most of one session submitting figures tending to show that many railroad bonds now stand in a markedly improved investment position. No speaker devoted himself to urging the purchase of government, industrial or real estate bonds or mortgages or municipal bonds of the standard type. It may be that the program was purposely designed to develop an outline of investments comparatively new to life insurance, but which may nevertheless become in part at least accepted outlets for life insurance funds in the years immediately ahead.

As is known, the A.L.C. holds these separate sessions at its annual meetings

to cover the entire field as to causes and cures of inflation, for it is time to call in the most skillful talent available.

Discussing federal taxation of life companies, Mr. Richardson said that while a number of strong arguments may be made that under present circumstances there should be no federal income tax liability, nonetheless the prevailing thought of company executives is that the business should be liable for federal income taxes but with safeguards against excessive burdens on policyholders. He said this position rests mainly on wise public policy rather than on sound tax principle. The companies have been in almost constant touch with the Treasury officials to work out an amendment.

Mr. Richardson said the companies' position has been that it is not in the best interests of the business to drag out the solution of this problem.

—agency, legal and financial. At the moment there are no insurmountable problems in the agency and legal departments of most companies. They are functioning in a normal and satisfactory way. But this is certainly not the case with the investment departments of most companies. Interest rates are low, money is "easy," competition is unprecedentedly keen for all good loans, and many bond and preferred stock issues are being retired or refinanced at reduced interest rates. As a consequence, most life company investment officers find it difficult if not impossible to improve the average interest rate and to establish a satisfactory outlet for investment funds. The pressure on the investment men of life companies is unrelenting, and the answer is not ready to hand.

### Keen Interest in New Types

For these reasons, the remarks made on equity financing (common stocks), equity housing and private placements were attended carefully and commented on in lobby discussions after the meetings. It was recognized that these could absorb large sums and provide higher interest rates on the long term basis. It is, in fact, the long term viewpoint that is needed. For example, public opinion is being so influenced that within a few years life companies may find it impossible to avoid investing some part of their assets in equity housing, equity financing and expansion and growth issues that have been thought in the past to be below life company investment standards.

A number of those attending the Financial Section meeting indicated quite clearly that they are ready to study new and different types of investments. They recognize that a changed approach must be made to the problem, and that while there would be no excuse for recklessness, an exploratory and even bold attitude must be assumed if there is to be any permanent solution of the

(CONTINUED ON PAGE 32)

## W. E. Bixby, K. C. Life Chief, Takes Over as A.L.C. Head

Gathering Discusses Problems on Broad Basis; General Tone Optimistic

By R. B. MITCHELL

The growing tendency of the American Life Convention meetings to deal with problems on the basis of underlying philosophy and broad perspective rather than how to handle this or that type of day-to-day situation was more marked at this year's annual gathering than ever before.

Particularly illustrative of this trend were the presidential address of R. B. Richardson, president of Western Life of Montana, who dealt with the general economic situation as well as with life insurance; the talk which President John A. Stevenson of Penn Mutual gave before the Agency Section, in which he stressed the need for concentrating on supervision of men rather than depending too much on training programs; the analysis which Victor A. Lutnicki, associate counsel John Hancock, gave the Agency Section on what confronts the companies with respect to social security for commission-compensated agents, and the talk of Clifford H. Orr, president of N.A.L.U., on the over-all place of the agent.

The same breadth of view was evident at the Financial Section sessions, which were planned to bring under consideration the less standard types of in-

**NEW OFFICERS ELECTED**  
 President—W. E. Bixby, president Kansas City Life.  
 Members of executive committee are:  
 Ralph R. Lounsbury, president Bankers National Life.  
 Frank P. Samford, president Liberty National.  
 Frazar B. Wilde, president Connecticut General Life.  
 F. W. Hubbell, president Equitable of Iowa.  
 Cecil Woods, president Volunteer State Life.  
 R. B. Richardson, (ex-officio).

vestment that companies may want to get into to a greater degree to take care of the volume of their investment requirements. The Legal Section's program was noteworthy for dealing with subjects of wide interest and application, as was evidenced by the fact that none of the talks were so technical as to be devoid of interest for laymen.

The tone of lobby conversations this year was distinctly more optimistic than last year as far as life insurance is concerned, though no one felt too good about the international situation. The corner has apparently been turned as regards investment income, which was a source of some concern last year. No pressing problems obtruded for either the agency executives, the financial officers, or the lawyers. There is a definite feeling that business is harder to get but it is appreciated that this may well be just a sign of getting back to normal after a lush period. On the underwriting side, some feel that selection departments

(CONTINUED ON PAGE 32)

## Companies Won 56% of Cases Reported in ALC Bulletins

Of the 328 court cases digested in the A.L.C. legal bulletin in the last 12 months 56% were decided in favor of the company, Ralph H. Kastner, associate general counsel of A.L.C., reported at the meeting of the Legal Section. The number of decisions digested compared with 356 cases a year ago. Pointing out that 10 years ago the 12-month figure was 768 cases digested, Mr. Kastner jokingly concluded that eight years from now there will no insurance cases and no legal bulletin and he would be able to dispense with that part of his report entirely.

Although 1948 was an "off year" legislatively, 19 state legislatures met in



R. H. Kastner

regular or special session, and together with those introduced in Congress, several hundred legislative proposals were made which were of sufficient application or interest to life insurance companies to warrant review in the legislative bulletins jointly issued by A.L.C. and Life Insurance Assn. of America. The legislative pattern during the past 12 months has been about the same as in recent years, he said.

On tax legislation Mr. Kastner said domestic companies had their premium taxes reduced in Mississippi. Massachusetts changed the due date for the excise tax payment from June 1 to March 1. Virginia provided that after Jan. 1, 1949, the tax on net income shall be in lieu of specific property tax of 20¢ per \$100 of proceeds belonging to a resident and retained by the company at interest after the insured's death.

Municipal taxes continue to be a vexing problem, Mr. Kastner said. Waycross, Ga., this year imposed an outright premium tax, as did Dalton, Ga. However, Decatur, Ga., after passing a statute levying a tax of 1% on all kinds of property, including life insurance premiums, repealed it, after condemnation of this form of municipal taxation by the Decatur city commission.

Pennsylvania communities have evi-



Mr. and Mrs. R. E. Virtue and Miss Alice Haskell. Mr. Virtue is cashier of Business Men's Assurance and Miss Haskell is a member of the home office staff.

denced considerable tax interest, said Mr. Kastner. During the year, Scranton, Johnstown and Nonessen adopted ordinances imposing a tax on income received by individuals. These ordinances are similar to those in force in Pittsburgh, with variation as to tax rate. Several Ohio municipalities adopted income tax ordinances patterned after the Toledo and Columbus ordinances. The Springfield tax on income is a 1% rate as is the ordinance adopted by Portsmouth. Youngstown established its rate at 3/10 of 1%.

A recent Louisville ordinance levies an annual license fee for the privilege of engaging in any occupation trade, profession or other activity, measured by 1% of all salaries, commissions and other compensation. The New York legislature adopted a measure exempting receipts of insurance companies from the gross receipts tax authorized to be levied by cities of state other than New York City. Permission to levy tax was also extended to cities over 25,000 population and all counties outside New York City and the permissible rate was increased from 1/10 to 3/10 of 1%. New York City made permanent its gross receipts tax on business, etc., including insurance, and increased the rate from 1/10 to 1/5 of 1%. The Kentucky legislature authorized cities of all classes to levy license fees on franchises, trades, occupations and professions.

South Carolina passed legislation permitting graduated business licenses in Ridgeland and Rock Hill. A Kentucky measure, as originally introduced would have imposed gift tax applicable to assignments of policies but prior to enactment was amended so as to delete that tax and to increase from \$10,000 to \$20,000 the inheritance tax exemption of life insurance proceeds. An enacted New York measure amends the franchise tax law so as to include alien life companies among those corporations not subject to the tax.

### Mutual Benefit Veterans Elect

The Veterans Club at the home office of Mutual Benefit Life has elected Ernest Hanks, issue department, president; Mahlon Bataille, renewal department, vice-president; William Gutbrod, renewal department, treasurer; Sylvester Connolly, filing department, secretary.

## In-Force Passing \$200 Billion Mark This Month

### Hanselman Analyzes Data; Predicts Big Management Training Development

Total life insurance in force in the United States should pass the \$200 billion mark this month and may already have passed it, Wendell F. Hanselman, vice-president Union Central Life, said Thursday at the A.L.C. annual meeting. He pointed out that at the beginning of the year, there was almost \$190 billion in force and the figure has been increasing at the rate of a billion a month. He recalled that the first \$100 billion mark was reached at the end of July, 1929.

Analyzing the first \$100 billion, Mr. Hanselman said it was composed of \$75 billion ordinary, \$17 billion industrial, and \$8 billion group. He estimated from available statistics that the second hundred billion is composed of \$57 billion of ordinary compared to \$75 billion in the first hundred; \$15 billion of industrial compared to \$17 billion in the first hundred, and \$28 billions of group—more than three times the amount of group in the first hundred billion. The total now in force is approximately: ordinary \$132 billions; industrial \$32 billions; and group \$36 billions, he estimated.

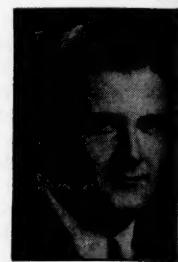
"At first glance it would seem that group insurance had invaded the field of both ordinary and industrial," he said. "This is a superficial observation. It may be that group has invaded no field but has reached out to give additional coverage that would not otherwise be written."

### Compares Sales Forces Then and Now

Mr. Hanselman compared the life insurance sales forces of 1929 with those of today.

"There are," he said, "fewer agents today than in 1929, but they are writing a larger volume of business. The prediction has come true that the life insurance man is today interested in quality more than quantity; that he follows the procedure of building a clientele rather than jumping from one prospect to another; that he talks the businessman's language; that he has developed many new uses for life insurance; that in most

(CONTINUED ON PAGE 31)



W. F. Hanselman

### ARE YOU "ON TIME" FINANCIALLY?

In living as in travelling, reaching a given point at a specified time is the direct result of careful planning. Those without a plan seldom make the train . . . others travel miles without destination. The trip is most rewarding to the traveller who knows his ultimate objective . . . who plans carefully and reaches each way-station on schedule.

The underwriter who plans lifetime goals for his clients, sets a path of achievement for himself. Today, 81% of Fidelity's foremost underwriters use Fidelity Personal Estate Plans to keep their clients and themselves "on time" financially.



Key figures in A.L.C. Legal Section: B. M. Anderson, counsel of Connecticut General, the outgoing chairman; Ralph H. Kastner, associate general counsel of A.L.C., and W. A. Vinson, general counsel of Great Southern, the incoming chairman. G. D. Brooks, investment manager of National L. & A.; G. C. Wood, president, Volunteer State Life; and E. W. Craig, president of National L. & A.

The  
FIDELITY MUTUAL  
LIFE INSURANCE COMPANY  
THE PARKWAY AT FAIRMOUNT AVENUE  
PHILADELPHIA • PENNSYLVANIA



## Larson Takes Optimistic View

Commissioner Larson of Florida, president National Association of Insurance Commissioners, in his talk before the annual meeting of the American Life Convention, in Chicago, discussed the possibility of new annual statement forms, further improvements in examination procedures, investment limitations, the possibility of using the commissioners' new central office as a clearing house for distribution of rulings and opinions of attorneys-general, the need to clear up the "mail order" situation, and the need for greater uniformity in admissions requirements for the several states.

### Lauds Statement Improvements

Mr. Larson praised what has been done toward improving the annual statement blank and said he looked forward to the time when the commissioners can adopt a form of annual statement that will be free from criticism.

Discussing examinations, he termed "constructive" the industry suggestions regarding examination procedure, particularly those regarding credentials and qualifications of examiners, saying that the commissioners want to be in the position of not having to apologize for their examiners.

Mr. Larson expressed the hope that life company investments can be made to cover a wider area of public usefulness and that laws and rules can be modified to permit this, the reward being



J. E. Larson

M. H. Ringer, treasurer, and Alfred MacArthur, president of Central Life of Illinois.

the making of a contribution toward a higher standard of living for all the people.

Urging the use of the commissioners' central office as a clearing house for rulings, Mr. Larson said the industry is entitled to know the rules of the game and the insurance departments are under obligation to tell what the rules are.

Regarding the mail order situation he expressed confidence that the commissioners of the various states involved, when the matter is presented to them, will realize the situation's seriousness and act accordingly. He also spoke out against arbitrary barriers against outside companies that may be regarded as interference with interstate commerce.

The annual outing of the Philadelphia Life Insurance Trust Council drew 100 members for golf and dinner. T. R. Powell, Manufacturers Life, president, announced that the council, organized in 1940, now has 70 life insurance members and 50 trust representatives.

On the occasion of the 43rd Annual Meeting of the American Life Convention, we congratulate that great and honorable organization representing the business of Life Insurance.

We respect the memory of the men who pioneered the American Life Convention. We extend our appreciation to the officers and the entire staff for the work they have so splendidly done.

This is our 36th year of membership, for which we are proud. We subscribe wholeheartedly to the ideals and principles of the American Life Convention and the Life insurance business. We will do our utmost to contribute our share to its continued success.

WISCONSIN NATIONAL LIFE  
INSURANCE COMPANY  
OSHKOSH, WISCONSIN

## THE BENEFIT OF THE DOUBT...

If doubt exists that cannot be removed, give the policyholder the benefit of it.

That is the rule which this Company has been following in the adjustment of claims from its very beginning.

It means that we go beyond the legal obligations of the policy and take into account the moral obligations as well. It works.

The  
**NATIONAL LIFE  
AND ACCIDENT  
Insurance Company, Inc.**



# Financial Men Look Over New Fields

## WALL STREET VIEW:

### Says Insurers Drain Potential Equity Capital

Thomas W. Phelps, partner of Francis I. du Pont & Co., asked the A.L.C. Financial Section how much longer life insurance can continue to grow at the rate of the last 10 to 20 years and still hope to occupy a protected position in the economy. He pointed out that for every real bond there must be a buffer, some equity value that will absorb the first shock of a decline in the earning power of the bonded property and added that life insurance companies may not be changing their investment policy fast enough and in the right way and there is a question whether it can count on coming through the next big depression unscathed behind the buffers which protected it in the last depression.

Mr. Phelps questioned the long-term

value of life insurance companies buying securities directly from big corporate borrowers, either as individual life insurance companies or as groups of such companies. "The question must arise," he said, "whether such tactics in shutting out non-members of the group eventually will bring counter regulations such as the competitive bidding requirements aimed to break up what were alleged to be similar convenient arrangements in the investment banking business itself."

#### Are Making Buffers Hard to Get

Mr. Phelps said life companies unquestionably are contributing to the present scarcity of risk capital by removing an increasingly large share of the national savings from all possibility of becoming risk capital, no matter how great the inducement. Yet the evidences of debt the companies want to buy for investment are no good without a reasonable margin of buffer or risk capital, while the supply of that risk capital is being reduced to no inconsiderable extent by the insurance industry's success in selling a larger and larger proportion

of the American public on the idea that a life insurance policy is the first and most desirable of all forms of savings.

"Life insurance companies could recognize that their very success in selling themselves as the number one custodian of the savings of the American people is going to compel them to assume a larger share of the risks of our system of democratic capitalism," he said. "The big problem here seems to be where and how to find an adequate additional supply of risk capital quickly at a time when failure to do so threatens to choke off the capital expansion that has been sustaining business the last two years. In solving that problem the leadership of the greatest business in the world is urgently needed."

### Needles Companies for Lethargy on Rental Housing

High construction costs is the usual reason given by companies that have stayed out of the rental housing field "but in the main we have observed that the great deterrent has been in the lack of entrepreneur spirit in the majority of companies," Frederick H. Allen, New York City investment expert, told the Financial Section of the American Life Convention. The metamorphosis from mortgage officer to aggressive creator of housing has been too great in this first period of a new field of investment, he said.

Mr. Allen said a large part of the people looks to the life companies to make further contributions in the housing field and that the start made by several of the large companies in five major cities has made a profound impression and has raised the question of why more companies are not making similar investments in their communities.

"Perhaps the greatest single blow to equity housing so far has been the open-end contract, resulting in costs in several prominent housing projects that have been out of reason and far in excess of what businesslike construction men are paying for the same article," he said. "Some insurance companies have felt the need of employing the largest firms with the well known names and have paid dearly for the privilege. The disappointments in ultimate cost have been common knowledge and have naturally frightened other companies which were studying the field."

"Despite the growing pains of equity housing, many of us are still firmly convinced of its soundness as a form of real estate investment. Outside of the private house market, the mortgage field is the only business in this country in which the major investor is in control only in time of default. The element of control, on the other hand, is the key to equity housing."

Mr. Allen said there has been a ten-

(CONTINUED ON PAGE 34)

### Bryan Chairman; Patrick, Boyden Also Moved Up

#### Where to Put Funds with Safety Is Still Pressing Problem

This year's meeting of the Financial Section of American Life Convention attracted a large and interested group. Chairman David W. Gordon, financial vice-president of Monarch Life, presented four investment officials of life companies and six speakers from the world of finance, all of whom discussed the currently important investment problems and trends. It was a long but interesting program.

Mr. Gordon gave an outline of the present situation in his opening remarks.

Robert L. Garner explained the functions and lending policies of the International Bank, of which he is vice-president. The talk on equity housing by

#### NEW OFFICERS ELECTED

Chairman—Joseph M. Bryan, 1st vice-president Jefferson Standard Life. Vice-chairman—Robert B. Patrick, financial vice-president Bankers Life of Iowa.

Secretary—Willard N. Boyden, vice-president Continental Assurance.

F. H. Allen, partner in the New York firm of Harrison, Ballard & Allen was closely followed. Characterizing housing as the nation's No. 2 problem, topped only by high prices, Mr. Allen explained the vast outlet for investment funds offered by equity housing. His outline was detailed and comprehensive.

#### Interest in Badger's Address

The address that seemed to be of the most general interest on the first day was the one on private placements given by Sherwin C. Badger, second vice-president and financial secretary of New England Mutual. Mr. Badger caused surprise when he told of the size and number of private placements. He defended the practice convincingly and emphasized its favorable aspects. Mr. Badger said private placements need not necessarily be of large size.

D. J. Russell, vice-president Southern Pacific system, reviewed the expansion of that railroad, listing the great expenditures it has made or authorized, and also of the territory on the Pacific Coast and southwest which it serves. He said the Southern Pacific alone since V-J Day has helped establish on its lines an average of three new industries for every day in the year. He listed some of the big corporations which have established new plants on the coast and gave figures showing a similar expansion in the southwest, particularly in Texas and Louisiana. He also spoke of the part that is being played in relieving the housing shortage through the lumber industry in the Pacific northwest.

Then Dendel Reuss, partner in McLaughlin & Reuss & Co., New York, contrasted the status of the class 1 railroads in 1929 with that of 1948.

Hope for a "closer economic cooperation between Canada and the United States" as the most desirable method

(CONTINUED ON PAGE 33)

## The Melody Lingers On

The "miracle of Life Insurance" brings assurance and hope to beneficiaries, faith and confidence to the aged, peace of mind and relief from worry to policy-holders. It is like a melody that lingers on and on.

There is also a melody that lingers on for Indianapolis Life representatives. It is the inspiration and fellowship that comes from training courses and school, state and regional meetings, and the sincere interest of Home Office Associates. This kind of melody helps bring growth, happiness and success.

## INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis 7, Indiana

A Legal Reserve, Mutual Company, organized in 1905.

Over \$205,000,000 of Insurance in Force

Agency opportunities in Evansville, Indiana; Davenport, Iowa; Springfield, Illinois; Toledo, Ohio, and a few other choice cities in Indiana, Ohio, Illinois, Minnesota, Texas, Iowa, and Michigan.

A. H. Kahler, Vice-President  
and Supt. of Agencies

Edward B. Raub  
President



Robert L. Hogg, executive vice-president of A.L.C. and Gerard S. Nollen, chairman Bankers Life of Iowa.

## Should Allay Fears of Danger from Lower Market Values

Gordon Would Combat "Fallacious Attitude"—Stresses Responsibilities

Fears of the effect on life company solvency of a reduction in the market value of high grade bonds held by life companies in comparison with the amortized or asset value are wholly unfounded and this situation should be explained to the public, David W. Gordon, financial vice-president of Monarch Life and chairman of the Financial Section, declared in his talk at the opening of its session.

Mr. Gordon stated that "at some time in the future, high grade bonds purchased by life insurance companies and held in their portfolios may show a much lower aggregate market value by comparison with the amortized or asset value. Such a situation would be due to higher interest rates then prevailing than those at which the bonds were originally purchased. Over and over again such a possible situation is regarded by many life policy owners with alarm if not as a calamity.

### Many Loose Statements Made

"Why is this attitude so prevalent? Many loose statements have appeared in the press, various articles and in conversations that removal of support to the prices of U. S. government obligations by the Treasury acting through the federal reserve would bankrupt the banks and the insurance companies. Whenever this statement has arisen in my presence I have characterized it as 'nonsense' and then carefully explained that high grade bonds are valued on an amortized basis regardless of market quotations; that high grade bonds, the great backbone of investments of life companies, are loans to be paid back at the principal amount at a definite future date; that fluctuating prices have nothing to do with the payment of the long term contracts to policyholders or the solvency of the insurance companies. As one individual remarked, 'Then why doesn't the life insurance industry say so?' It is high time that we did—over and over again until this fallacious attitude has been completely uprooted."

### Hold Central Position

Mr. Gordon stated that "1948 will be the third consecutive year in which life insurance company acquisitions of private corporate debt will equal or exceed the total net increase in indebtedness of American corporations."

"It seems unmistakable," Mr. Gordon said, "that the life insurance companies have now come to occupy a place of central responsibility in the investment function of this country, whether or not they like it and whether or not they face it consciously. Self-scrutiny and self-examination to be sure we comprehend the implications of our position and operations can scarcely be overdone. Investment personnel naturally and traditionally emphasize getting the money invested and following existing investment holdings. But, as never before,

(CONTINUED ON PAGE 34)

## Private Placements Total \$10 Billion for Past Decade

The practice of placing security issues directly with life companies is on the increase and may offer at least a partial solution to some of the enigmas now facing our economy, Sherwin C. Badger, 2nd vice-president of New England Mutual Life, told the Financial Section of the A.L.C.

If income and inheritance taxes are to be used in part to redistribute wealth and new savings and if traditional sources of new equity capital, as a result, remain relatively dry, institutions such as life insurance must fill part of the vacuum in the equity field, Mr. Badger said. It may well be that some adaptation of the



S. C. Badger

mechanism of private placements can be worked out whereby life companies can assume a larger share of the risks of business enterprise with adequate safeguards and higher interest returns.

Mr. Badger said that, during the past 10 years approximately \$10 billion of securities have been placed privately representing 30% of all corporate flotations in the period. To date this year the figure has been nearly 40% while in industrial, as distinguished from railroad and public utility financing, the percentage is very much higher.

### Advantages of Private Deals

Mr. Badger pointed out that through private placement a corporation could avoid the trouble and part of the cost of registering with the SEC while if unexpected future changes should make some modification of indenture terms or of financial structure advisable, it is obviously more practical to negotiate with a few sophisticated creditors or stockholders than with scattered holdings among the general public.

"It is said that through private placements, life insurance has gone into the banking business and that something ought to be done about it," Mr. Badger said. "If by the banking business is meant commercial banking, it seems to

me the shoe really is on the other foot. Traditionally, life companies are medium and long-term investors and commercial banks are short-term lenders. Only comparatively recently have commercial banks loaned through the ownership of long-term bonds or through the so-called term loans. I cannot see why investment through private placement is any more a banking operation than investment in the open market.

### Unlike Investment Banker's Role

"If by banking the critics of private placement mean the investment banking business, I should say the criticism is even less valid. Investment bankers aim to hold the securities they buy for as short a time as possible before they resell to ultimate buyers. Their success is determined by their ability to judge within a fraction of a point what market conditions will be at the time of offering. Both these goals are a far cry from the long-term investment objectives of life insurance companies.

"As offsets to lack of marketability in privately-placed securities are the very substantial fixed annual sinking funds provided by the overwhelming majority of private placements. It seems to me this is a pretty effective equivalent to

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9 HUNDRED MILLION IN '49 • 9 HUNDRED MILLION IN '49

9 HUNDRED MILLION IN '49 • 9 HUNDRED MILLION IN '49

We've passed the  
8 HUNDRED MILLION MARK  
now we're heading for our new objective



9 HUNDRED MILLION IN '49 • 9 HUNDRED MILLION IN '49

## Vinson Elected as New Chairman of Legal Section

### Combatting "Favored Treatment" Stressed in B. M. Anderson's Address

The Legal Section meeting was enlivened by a forthright handling of a subject that many life insurance men have shied away from as being too hot to handle. B. M. Anderson, counsel of Connecticut General Life, in his opening address as chairman of the Legal Section of the A.L.C., turned the spotlight on the favored treatment which Missourians get through their broader suicide coverage and which Oklahomans receive in being required to pay the same rate as other policyholders despite the state's 4% premium tax. He said that "we should soon decide whether it is fair to continue to require one group to pay for another group's insurance."

"This is a fight for equity among our policyholders and regardless of whom

we oppose we should continue this fight," he declared.

While the life insurance industry has opposed standard policies, Mr. Anderson said, it has over the years sought to secure essential uniformity among the states in the coverage of life insurance policies. So far as statutes will permit, a particular company grants exactly the same coverage in all of the states in which it does business, he said, but in a few states coverage in addition to normal is required.

"Admittedly it is the prerogative of Missouri citizens to say how broad the coverage of life insurance policies shall be in the state and it is likewise up to the Oklahoma citizens to say what the premium tax rate shall be in that state," Mr. Anderson said. "Yet it is our duty to do equity among our policyholders and we do not do equity if we force our policyholders in other states to bear any substantial part of the cost of life insurance for Missouri and Oklahoma citizens. Up to some point we can justify uniformity among the states in life insurance premiums and dividends on the basis of the practical difficulties in book-keeping. But there does come a time when we must stop to consider whether it is fair.

"There is an unfortunate tendency on the part of cities, counties and other political subdivisions of states to superimpose a local premium tax on top of a state premium tax. These are entirely unjustified on any equitable basis and we should oppose these taxes to the fullest extent of our ability. An increase is

particularly disturbing to us because the increase applies to policies already issued as well as to the newly issued policies. The rate base of these outstanding policies did not allow for such high taxes and in addition the interest assumption under these old contracts is higher than the present interest we are able to earn with safety.

"If we look at the matter realistically, we realize that these unfair taxes are imposed on us and on the life insurance policyholders because the amount of money involved can be collected in this manner with less political pain than from other taxpayers.

### Competing Forms Not Taxed

"Our business is also discriminated against in certain instances where competing forms of savings and insurance



B. M. Anderson



W. A. Vinson

are not taxed. There is no justification, for instance, for the state to take \$200 of the \$10,000 which a widow or a retired school teacher pays us for annuity; there is likewise no good reason why an endowment premium which may be nine-tenths savings and one-tenth insurance should be taxed in its entirety. If it were suggested that when a deposit of \$10,000 was made, the bank should pay over \$200 to the state and credit \$9,800 to the depositor, this would be regarded as outrageous.

"The reason why we have a tax in many states on annuity considerations and why endowments have been taxed in full is that states have been accustomed to tax the consideration for all forms of contracts issued by the life insurance companies."

Repeating an earlier comment that he was expressing his personal views and not necessarily those of the A.L.C., Mr. Anderson declared that although the Blue Cross is in direct competition with life insurance companies, it pays no premium taxes and insurance companies pay a tax of 2% more or less on identical coverage.

"I am not suggesting here that any premium tax be imposed on the Blue Cross, which has done wonderful work all over the country," Mr. Anderson said, "but I do suggest that where we do exactly the same type of good work, particularly on a nonprofit basis, our companies should not be taxed."

### Failure to Read Application

"The overwhelming preponderance of litigation arises out of contrary-to-fact statements in the application," Frank E. Spain, vice-president and general counsel of Liberty National Life, told the Legal Section.

He traced the history of litigation arising from failure to read the application, beginning with the early establishment of the "equitable estoppel rule preventing an insurer from showing in defense contrary-to-fact written statements known by its agent or medical examiner to be contrary-to-fact when he took the application."

On the basis of trends indicated by the cases cited in his paper, Mr. Spain

Frank E. Spain



## Urge "Real Binding Receipt" Despite Risks Involved

The suggestion that life insurance companies should consider issuance of a real binding receipt, clearly setting forth the rights of the applicant and the extent of the coverage provided during the period prior to issuance of the policy was advanced by Abram T. Collier, associate counsel John Hancock, at the A.L.C. Legal Section meeting.

Mr. Collier pointed out that to adopt such a course means that agents must be given greater authority but the risk is not too great and is one which should be accepted as part of the cost of doing business. A majority of the leading companies do provide such insurance and one legislature has recently seriously considered the enactment of a law to compel the issuance of such a binding receipt, he said.

### Sees Liability for Delay Unjustified

Discussing tort liability for negligent delay in acting on applications, he said that while insurers have a moral duty to act diligently on applications which they receive, this does not mean that there should be a legal duty and said that much difficulty and confusion results when courts ignore the fundamental distinction between ethical and legal duties.

Reviewing the court decisions opposing tort liability on life insurance companies when action on an application has been negligently delayed, Mr. Collier said: "Ten states embrace the tort liability rule, 13 states have retained their virtue by rejecting the rule, and while seven states have flirted with it, there is a strong possibility that they have not been seduced."

After analyzing the reasoning in support of this type of liability, he con-

### NEW OFFICERS ELECTED

Chairman—William A. Vinson, counsel Great Southern Life, Houston.

Secretary—Frank E. Spain, vice-president and general counsel Liberty National Life.

cluded that the basis of the doctrine was "simply the court's unsupported appeal to equity and public policy to find a duty on insurers to act promptly on all applications. It is as though the courts had taken a page from the late Gertrude Stein, saying 'A tort is a tort is a tort.'"

Mr. Collier, nevertheless, takes an optimistic view of the trend in these decisions, pointing out that in the past 20 years the tort liability theory has been rejected by 10 states and accepted by only three. Comparing these decisions with the trend of life insurance decisions generally, he added:

"Looking at our tort liability decisions from the point of view of these general trends of all life insurance decisions, we find some direct relationships. In recent years, while the tort liability decisions have been somewhat more favorable than life decisions generally, they do correspond with the general trend. There appears also to be some geographical correlation in that the tort liability theory is accepted in those states which have generally bad records in all life insurance litigation. For example, tort liability is the accepted rule in Iowa, Colorado, Oklahoma, California, Nebraska, and Idaho, which are 34th, 36th, 40th, 42d, 46th, and 47th, respectively, in the list of the 48 states ranked according to the percentage of favorable decisions."

### Nickell on Trust Program

H. Kennedy Nickell, Connecticut General Life, will participate in a skit entitled "You Planned My Estate. What Now?", at the American Bankers Assn.'s mid-continent trust conference at Chicago Nov. 5.



### PLANOLIFE wins the baby bloc!

PLANOLIFE, latest addition to the General American Life agent's portfolio, is already assuming landslide sales proportions. Each \$1,000 of insurance in force on PLANOLIFE automatically becomes \$5,000 of insurance at age 21 and thereafter to age 65 without any change in premium. At age 65 the policyholder receives \$30 a month for life or \$5,000 in cash. Policy is available to children from birth to the age of 14. PLANOLIFE is one of the many new plans which are continually being developed by General American Life to meet modern needs. One of the many reasons...you're ALWAYS IN BUSINESS with

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SAINT LOUIS

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## Howell Suggests New Method of Picking Agents

Addresses Combination  
Companies; Ruehlmann  
and Dudley Named

There is a fairly high correlation between type of physical make-up and



type of personality and this might be utilized to fill in some of the gaps in present methods of selecting agents, said Valentine Howell, vice-president and actuary of Prudential, in his talk at the dinner of the combination companies of the American Life Convention.

**Valentine Howell** Mr. Howell said that the drawback of usual personality tests is that many of the questions are so obvious that an intelligent applicant can tell what answers are called for and slant his replies accordingly. He said he had often thought there might be something in the studies made by W. H. Sheldon of Harvard, which through a system of standardized measurements and classifications set up three basic categories of physique with corresponding types of temperament. On the basis of these findings some men might be found to be well suited to life insurance selling

and others might be fitted for other life insurance work.

Though tossing in such words as "ectomorph" and "somatotonic," Mr. Howell enlivened his talk with sketched illustrations of each of the three types and got quite a laugh by applying life insurance occupational togs to each. The "viscerotonic endomorph" was a large, jolly type of person on the obese and convivial side, liking good food. This one he labeled "agency vice-president."

The "somatotonic mesomorph" was characterized by heavy, well developed bone and muscular structure, with a personality on the aggressive and dominating order. This one he labeled "chief executive."

The third, the "cerebrotonic ectomorph" he labeled "actuary." This individual tended to be stoop-shouldered, slightly sway-backed and spare in build through without the athletic physique of the mesomorph.

### Ectomorph Often Introvert

The first type of endomorph tends to love ease, comfort, ceremony, likes people and social activities, Mr. Howell said. The mesomorph likes to take chances, isn't afraid of danger, and is physically active. The ectomorph tends to be the introvert, more likely than the others to look objectively on both

### NEW OFFICERS ELECTED

Chairman—John F. Ruehlmann, vice-president Western & Southern Life.  
Secretary—Guilford Dudley, vice-president Life & Casualty.

sides of a question. He is characterized by self-searchings which are foreign to the other two types.

Mr. Howell explained that it would be unusual to find anyone who was completely an endomorph, mesomorph, or ectomorph but that most people are combination of two or more types, both in physique and in temperament. He

Best Wishes to  
THE AMERICAN LIFE CONVENTION



HOME OFFICE — Chattanooga 3, Tennessee

H. C. E. JOHNSON  
President

JOS. W. JOHNSON, M.D.  
Chairman of the Board

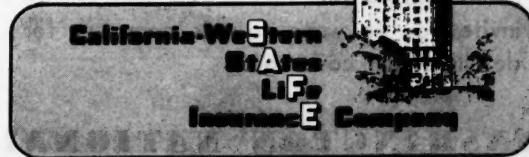
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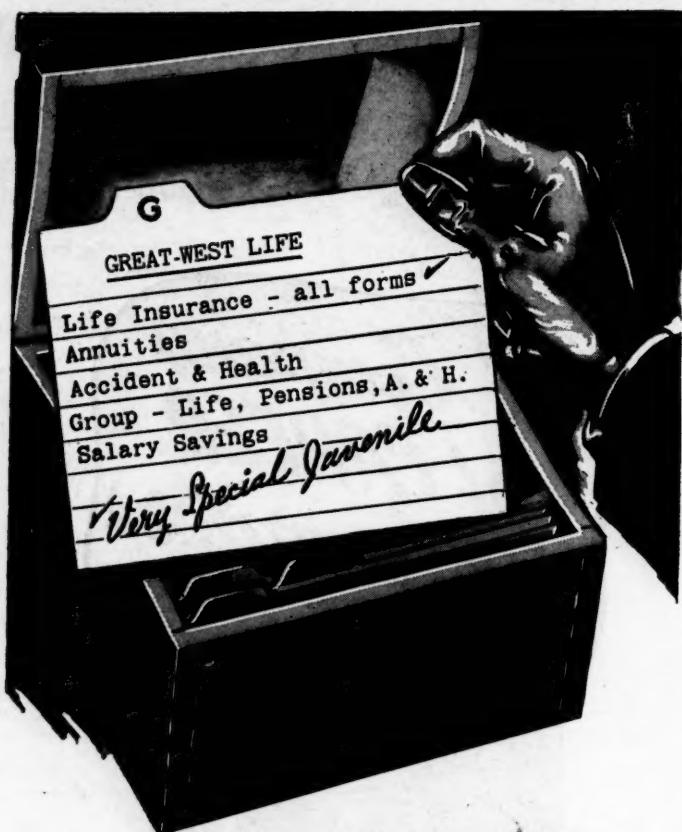
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HOME OFFICE

SACRAMENTO



**GREAT-WEST LIFE**  
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A Billion Dollar Company Established 1891



## What Do You Sell?

Accident and health insurance and life insurance are natural teammates. Either one alone fails to serve as complete family protection, and the insured is left to gamble with his economic obligations to his dependents. If you do not have accident and health and hospital lines in your sales kit, we invite you to write to this company for details of our coverage.

**WASHINGTON NATIONAL INSURANCE COMPANY**

CHICAGO

Executive Offices: Evanston, Illinois

G. R. Kendall, President

made it clear that these classifications have nothing to do with a person's degree of intelligence.

Mr. Howell told of a Prudential study which indicated that an applicant's experience had some bearing on his probable success as an agent. If he had been a salesman or in a supervisory job the outlook was better than if he formerly been a clerical worker. Men who stayed in their former jobs for some years were better bets than those who made moves often from one job to another.

"As one might expect," Mr. Howell said, "the agent who owns his home has a considerably better experience as a



Guilford Dudley



R. B. Evans

salesman than the agent who lives in furnished rooms or with in-laws. However, interestingly enough, the agent who has his home mortgaged is likely to be a better agent than one who owns his home free and clear. Likewise, the agent with less than \$10,000 in savings and other property is a better agent than one worth more than \$10,000."

The number of an agent's dependents also relates to his success. A man with two children has a greater chance for success, apparently, than one with more than two children or less than two. His interest in outside social events is of course related to his success. The more organizations he has joined the greater his chances.

One factor which may have escaped many observers, said Mr. Howell, is the length of time a man takes to make up his mind whether to accept new employment. The longer he thinks it over, up to nine months, the greater his chances for success will be when he finally decides to become an agent.

Richard B. Evans, president of Colonial Life and chairman of the Combination Companies Section, presided.

## Legal Section Names Vinson Chairman

(CONTINUED FROM PAGE 28)

concluded that "the condemnations of insurance company practice and procedure, selling methods, etc., upon which the courts based their early decisions have become the relics of a by-gone day just as the equitable estoppel rule has become or tends to become an antiquity."

He suggested that this trend was influenced materially by the improvement in company practice, by the tendency toward uniformity and simplicity and perhaps by the greater confidence in the companies resulting from their close cooperation with supervisory authority.

"If in the beginning of life insurance the application had been as simple as it is today, if the insurance contract had been called a 'contract,' which it is and not a 'policy,' whatever that word may have been intended to signify; if the applicant had not been called an 'applicant,' which he rarely is, but a 'solicitor' which he almost always is; if instead of 'application,' which it is not, the contract basis had been called by some other name and had been integrated into the policy and attached as an exhibit as now by statute it is required to be in most states to be effectual; if in those days we had had supervisory authority such as we now have and enlightened adjustment," he said, the insurance contract probably would

not have been regarded as a mysterious, esoteric thing, and possibly the insured might have been held to the responsibility to read his contract as contracting parties are held to this responsibility in the case of ordinary commercial contracts.

Discussing the public relations aspects of insurance litigation, Andrew N. Johnson, general counsel of North American Life & Casualty, said that "when you litigate you are usually in controversy with a member of the community and your ability to show the community that your position is right is vitally important. It is unreasonable to expect that all lawsuits should be won, but it is fair to expect that every case selected for litigation must present equities that will appeal to the jury's sense of justice. It is then possible to lose the battle and still retain public approval.

Mr. Johnson emphasized the importance of having the trial lawyer sit in on the pre-trial conferences and of having a trial lawyer who has not only courtroom ability but the experience and judgment to know what kind of cases should be litigated. He said he feared many companies overlook the value of the trial lawyer as a pre-trial counsel, the decision to litigate being too often made by laymen, perhaps with the aid and advice of a counsel without any courtroom experience.

Dwight Brooke, general counsel Bankers Life of Iowa, discussing group insurance law, said of the commissioners' model bill that the fundamental difficulty, still to be solved, is to determine where the public interest lies. He said the complaint has been directed against unsound groups but that the answer is that companies do not want such groups, where coverage cannot be written profitably to the insurer, to the policyholder, and to those insured.

Other speakers at the Legal Section meeting, whose talks are reported elsewhere in this issue were A. T. Collier, John Hancock, Powell E. Smith, Occi-

## ROCKFORD LIFE INSURANCE COMPANY

### Writing the Best in Life Insurance

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AND THE MIDDLE WESTERN STATES

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Dr. A. J. Robinson, vice-president of Connecticut General; J. Howard Oden, president of North American Reassurance, and R. F. Weichsel, vice-president and secretary of Great National; S. J. Hay, president Great National; R. B. Richardson, president of Western Life of Montana, retiring president of A.L.C.; and W. E. Bixby, president

Kansas City Life, new A.L.C. president; R. B. Hixson, recently appointed counsel of Prudential's western home office; John V. Blois, assistant general counsel of Life Insurance Assn. of America, and Clarence C. Klocksin, legislative counsel of North-Western Mutual Life.

(CONT'D FROM PRECEDING PAGE)  
dental; and Ralph H. Kastner, associate general counsel of A.L.C., who gave his annual report on legislation and court decisions.

W. A. Vinson, senior partner in the Houston law firm of Vinson, Elkins, Weems & Francis, was advanced from secretary to chairman of the Legal Section. He is general counsel of Great Southern Life. He has represented not only life but fire and casualty companies



JOHN F. RUEHLMANN

and served as special counsel for the Texas companies in connection with the contemplated revision of taxes as between domestic and out-of-state companies. He has previously appeared on the Legal Section's program, speaking on the Texas rule of insurable interest. In 1943 he was a member of a committee named by the Texas supreme court to revise the rules of civil procedure and has since been chairman of the committee on interpretation of the rules.

#### Insurance in Force Is Now Passing \$200 Billion

(CONTINUED FROM PAGE 24)

instances he follows a programming method under which he analyzes needs and fits policies to those needs.

He predicted that all five trends will continue and that the third \$100 billion will be written by an even smaller number of even better trained agents. He said the National Assn. of Life Underwriters, which was hoping to reach a membership of 20,000 in 1929, today has a membership that is approaching 60,000 and is "potentially the greatest single force in influencing public opinion in America." He said that during the last 19 years probably the most significant advances made by the agency system have been in the field of training. He mentioned company programs. C. L. U.

education and the Life Underwriter Training Council.

As to the future, he said two branches of training in the agency system are obviously waiting for exploration and development — managerial training and training of home office agency staff members. He mentioned the fact, brought out in war industry that, "if you want to train a man, you must train the trainer." He said that if training the trainer is basic, just as managerial training is an essential phase of agent training, so is a scientific training program for members of the home office agency department staff essential to good managerial training. The exploration and development of scientific training programs for home office agency men will be the number one challenge in the field of agency management during the next two decades, Mr. Hanselman declared.

Mr. Hanselman also developed the theme that thrift is an all-important ele-

ment of the greatness of the nation and said that "we must tell the story of life

insurance in simple, easy-to-understand language to as many millions of people as it is possible for us to contact through our agency forces and through all other media of public relations.

#### Annual Colonial Convention Held in New York City

Some 160 field men plus home office officials attended the annual convention of Colonial Life at New York. There were 23 who qualified for the Presidents Club. Officers are Theodore Patroni, Atlantic City, president; Vincent Falbo, Rochester, vice-president; Willis Richardson, Philadelphia, secretary.

New officers of the managers organization, the Clic Club, are Harry Rice, Westchester, Pa., president; John Mitchell, Paterson, N. J., vice-president, and Andrew Dutko, Buffalo, secretary. Presi-

dent Richard B. Evans conducted a seminar.

The Presidents Club and the Clic Club will meet at Haddon Hall, Atlantic City next spring. A production contest is now under way to qualify for attendance at the dedication of the new home office building. Those who qualify will be entitled to bring their wives.

Many of the home office personnel are now operating at the Hotel Suburban in East Orange. The new home office building in East Orange will probably be occupied in about two months.

#### Stephenson to Cleveland

Occidental Life has appointed R. B. Stephenson home office supervisor at Cleveland. He joined Occidental in 1937 as teachers group representative. Transferring to the agency department, he has since assisted Robert Staton, agency secretary, except for 2½ years with the coast guard during the war.

## 40 YEARS YOUNG!

From the days of the "gas buggies" Southland Life has appreciated the friendly spirit and associations of the

### AMERICAN LIFE CONVENTION

We extend sincere greetings and good wishes at this 1948 A. L. C. meeting.



"Serving Since 1908"

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## As A Charter Member

it has been a source of continued satisfaction to The Security Mutual Life Insurance Company to note the way in which the American Life Convention has grown in prestige in the life insurance world and the effective way in which it has been able to serve the life insurance business through the years.

Naturally a charter member wonders what the future holds when an organization is started. It is therefore an inspiration to realize how potent a factor the American Life Convention has become.

THE SECURITY MUTUAL LIFE  
INSURANCE COMPANY  
of  
Lincoln, Nebraska

## Growing with the West!

Assets (Dec. 31, 1947)  
\$30,797,865

Surplus to Policyholders  
\$3,029,588

Insurance in Force  
(August 31, 1948)  
\$149,225,271

WESTERN LIFE  
Insurance Company

R. B. Richardson, President

Helena

Montana

## Bixby Elected as President of A.L.C.

(CONTINUED FROM PAGE 23)

may be forgetting the tough lessons they learned in the early 1930s in the matter of loading up with jumbo risks.

Following the section meetings Monday and Tuesday the first general session got under way Wednesday morning with Mr. Richardson presiding. As is customary, there was a brief message of welcome from President William M. Dewey, president of the Edgewater Beach hotel, Chicago, where these meetings have long been held.

### Printed Copies Made Available

President Richardson turned the chair over to Executive Vice-president Robert L. Hogg and then made his presidential address. As has become customary with the president's message, printed copies in booklet form were available at the conclusion of the session.

There followed the talks, reported elsewhere in this issue, of Mr. Hogg, reporting on the year's operations; C. H. Orr, National Life of Vermont, Philadelphia, president of the National Assn. of Life Underwriters; Commissioner Larson of Florida, president of the National Assn. of Insurance Commissioners; in the afternoon, President O. J. Lacy, California-Western States Life; and W. C. Mullendore, president Southern California Edison Co., Los Angeles. That evening the A.L.C. held its annual business session.

### Hanselman Leads Off at Final Session

At the final session Thursday, Wendell F. Hanselman, vice-president of Union Central Life, spoke on "The Third Hundred Billion"; Harold Vagtborg, president and director of the Southwest Research Institute, talked on "More and More from Less and Less"; and A. Lee M. Wiggins, chairman Atlantic Coast Line, discussed "Some Current Economic Fallacies."

S. Kendrick Guernsey, vice-president of Gulf Life, who is president of Rotary International and in that capacity traveled 85,000 miles and visited 20 countries last year, in speaking on "Service Is My Business," said that the fate of the world does not lie in the hands of a few men but with individual citizens. He urged, first that they make service their business, second that they give active support to the principles of free enterprise, and, third, that they support and believe in the United Nations.

The final speaker was Senator Wiley of Wisconsin, who talked on "American Life Insurance — Pillar of Free Enterprise."

As has become traditional at A.L.C. meetings, Chairman Isaac Miller Hamilton of Federal Life of Chicago, a founder and former president of the A.L.C., made the motion for adjournment.

The meeting was a day shorter than usual, adjourning Thursday afternoon instead of Friday noon. The annual dinner dance was Thursday evening, following a cocktail party given by President Dewey of the Edgewater Beach hotel.

The state vice-presidents dinner took place Tuesday evening.

There were four luncheons, the first two being sponsored by the Legal Section and Financial Section respectively.

At the luncheon Monday the speaker was Chief Justice Simmons of the Nebraska supreme court, who made a comparison of the American and Russian constitutions and courts which confirmed the entire lack in Russia of what Americans know as democracy.

Tuesday the speaker was Senator Raymond E. Baldwin of Connecticut.

While life insurance is "big business," it is symbolic of America, Senator Baldwin said. "We should rather consider big business from the point of view of the number of people whose lives are affected; the amount of good it can do; the part it plays in the economic life

and welfare of the nation; the opportunity that it has for helping to build a better future; the attitude it has effected; the amount of good it can do toward its mission in the American program."

In spite of bigness, the keen competition in the insurance business "offers one of the finest examples in all America of the true effects of open competition," he said. Its size can serve a useful purpose so long as competition continues, he declared.

### Head of College Speaks

Rev. George G. D. Kilpatrick, principal of United Theological College of Montreal, said at the luncheon Wednesday that the two qualities supremely needed in our democracy are a greater sensitiveness for the interests and needs of others and a spirit unafraid of change. "We have to put men above dollars and personality above possessions, and we must observe that a passion for the status quo has all through the centuries been the enemy of progress," he declared.

Dr. Kilpatrick commented on the "ominous tendency" of the citizen looking to the state for the security for which he himself has a primary responsibility. Magnifying the responsibility of the state, he said, we reduce to the vanishing point the personal responsibility of the individual.

Clifton Utley, widely known news commentator of Chicago's radio station WMAQ was the speaker at Thursday's luncheon.

W. E. Bixby, A.L.C.'s new president, is celebrating his silver anniversary with Kansas City Life this year. He was advanced to assistant secretary in 1924 and was elected executive vice-president in 1937, continuing until his election as president in 1939.

Mr. Bixby is an alumnus of Culver Military Academy, Drury College and University of Missouri. During the first world war he served in the army transportation corps in France and England. Before going with Kansas City Life he was with Federal Light & Traction of New York and for a short time was with an oil company in Tulsa.

Mr. Bixby's elevation to the presidency of the A.L.C. is of added interest because his father-in-law, the late J. B. Reynolds, for many years president of Kansas City Life, was the first president of the A.L.C.

## Financial Men Show Keen Interest in New Channels

(CONTINUED FROM PAGE 23)

problem. The unceasing and almost overwhelming flow of investment money that is pouring into the home offices of life companies must seek and find some new repositories. The investment officers at the Financial Section meetings seemed to adopt this view of the present investment situation, to recognize it as a challenge, and to indicate a determination to solve the problem.

### G. A. White New Chairman

George Avery White, president of State Mutual Life, has been appointed chairman of the policyholders' relations committee of Institute of Life Insurance, taking the place left vacant by the death of A. E. Patterson.

Mutual Life gave a cocktail party Wednesday in honor of one of its trustees, William C. Mullendore, president Southern California Edison Co., Los Angeles, following his address before the A.L.C. general session. Representing the home office were Roger Hull, vice-president and manager of agencies, and Julian S. Mynick, 2nd vice-president.



C. F. Nettleship, vice-president Columbian National; Ralph R. Lounsbury, president Bankers National Life; and Julian Anthony and C. C. Robinson, president and a general vice-president respectively of Columbian National.

## Private Placements Total \$10 Billion in Past Decade

(CONTINUED FROM PAGE 27)

the alleged marketability of publicly held securities in today's thin markets. The criticism is also made that private placements are riskier than short-term loans and as proof, the difference in interest rates between short and long money is cited. Whether this difference in rates reflects truly a difference in risk is at least debatable in the light of history, for in the past short-term interest rates often averaged well above long-term rates for extended periods.

### Hits Blanket Allegation

While a sort of blanket allegation has been made that life companies through private placements have embarked on a brand new venture which has a suspicion of being speculative, and which therefore should be restricted by law or

regulation, Mr. Badger said there is no way whereby either laws or regulations can successfully supplant the judgment of management and that all but an infinitesimal part of life insurance funds are administered competently and under the highest standards of trusteeship.

Mr. Badger expressed confidence that the new all-industry committee on valuation under the leadership of Leroy Lincoln, president of Metropolitan Life, will be able to solve the question of valuation of privately placed issues.

## Bryan Financial Section Chairman

(CONTINUED FROM PAGE 26)

of meeting Canada's dollar problem, was expressed by W. T. G. Hackett, economic adviser of Bank of Montreal.

He said such a move would be an infinitely more desirable alternative than further restrictions on purchases by Canadians in the American market, a course implying "a higher cost economy for Canada, a multiplicity of economic controls continued indefinitely, lower living standards and a major adjustment of consumption habits and industrial structure."

Mr. Hackett appeared to feel that monetary inflation in Canada is being handled vigorously, both by reason of substantial debt reduction, particularly of bank-held debt, and by some increase in interest rates. Taxes have been reduced very little, to speed debt reduction, but Mr. Hackett remarked a "vigorous and growing demand for reduction" and surmised that "Canadian official monetary policy may have to swing back toward more classical lines with a greater dependence on the interest rate as a regulator of economic activity than has been the case up to now."

He pointed out that U. S. capital in Canada, in direct and portfolio media, now amounts to something over \$5 billion, a considerable part of which is to be found among the assets of American life companies.

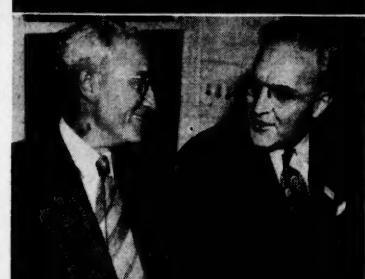
He reviewed various factors which he said provide a basis for solid confidence in the dominion's future growth.

### Policy May Be "Pennywise"

The fact that the typical life company has only one investment man, aside from clerical help, for a bond account of \$50,000 and only two for an account of up to \$100,000 makes it seem that from the policyholders' point of view a life company could become penny-wise and pound-foolish by failing to provide adequate investment personnel, Frank J. Travers, vice-president of



F. J. Travers



Top Panel—J. M. Bryan, 1st vice-president Jefferson Standard, new chairman of the Financial Section of A.L.C., and Ralph Price, Jefferson Standard's president.

Second panel—Bert C. Bentley, Chicago insurance lawyer, and F. P. McGuire, associate counsel of Connecticut General.

Bottom—Chester O. Fischer, vice-president Massachusetts Mutual, and Wendell Hanselman, vice-president of Union Central.

**Kentucky Home Mutual Life Insurance Company Announces a New Agency Contract with Liberal First Year Commissions and Lifetime Renewals. Several Good General Agency Openings are available in the states of Ohio, Indiana, Kentucky and Tennessee.**

## KENTUCKY HOME MUTUAL LIFE INSURANCE COMPANY LOUISVILLE KENTUCKY

ELLSWORTH REGENSTEIN

President

## Greetings to

### AMERICAN LIFE CONVENTION

## THE OTIS HANN COMPANY, INC.

### "LIFE INSURANCE SERVICE"

333 NORTH MICHIGAN AVENUE

CHICAGO

J. Roberts Hann  
President

F. H. Landeck  
Vice President  
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MONARCH LIFE INSURANCE COMPANY  
SPRINGFIELD, MASSACHUSETTS

panies bonds and mortgage loans are under the jurisdiction of a single investment officer. For large companies there is joint jurisdiction in a small majority of cases. Specialization of personnel by type of bond is not usually possible except in the larger companies. A little less than half the companies provide for specialization.

As to the proper training and experience for investment officers, 100 life companies specify college training in investment analysis; 74 like a background of investment banking and 32 favor commercial banking experience; 59 companies suggest training in accounting; 59 specify a college major in economics; 21 companies indicate a preference for legal training and only 18 for actuarial background. The larger life companies stress somewhat more the college major in economics and stress somewhat less the investment banking experience.

At the concluding session, James J. O'Leary, director of research, Joint Investment Research Committee, New York, gave a report on the work of his committee and discussed its plans and potentialities. He told of the significance to life companies of present savings trends.

A thought provoking and question posing talk was given by the closing

conviction that private capital must be looked to for most of the necessary financing and "we accordingly urge the development of conditions in the country which will attract foreign private capital, particularly in the form of equity investments."

### Companies Needed for Rental Housing Lethargy

(CONTINUED FROM PAGE 20)

dency to plan extravagantly in order to produce a fine product. Equity housing will suffer if the investment officer insists on applying usual mortgage yardsticks, for unlike the mortgage, it is an investment that the company will still own after it has written it off, while there is no danger of losing it to a competitor when it has been written down to a desirable figure, he pointed out. The company is in a position to refinance or to adjust interest and amortization rates any time it desires. There is always the opportunity to benefit from good years, which is not the case with the fixed mortgage contract.

There is a place in every community of more than 10,000 population for a limited amount of good, well planned rental housing, he said. Large scale operations in rental housing are not necessary, he said, for 50 units make an efficient rental housing development, both in construction economy and in management. There are 1,075 cities in the United States in which such moderate sized developments are needed and if held to a minimum, would yield a good return over a long period of years, he said.



J. M. Bryan



R. B. Patrick

speaker, Thomas W. Phelps, partner Francis J. du Pont, New York.

Using the technique of asking questions, Mr. Phelps inquired if the investment policy of life companies is being changed fast enough to meet the rapidly changing investment situation. He asked if life companies are assuming perhaps more than they should that there will be another deep depression. He asked if a new investment policy might not be not only a good thing, but actually vital to the future success of the business.

#### Scarcity of Risk Capital

He dwelt upon the present scarcity of risk capital, saying that life insurance may finally feel itself obliged to provide more risk funds than at present. He commented that Americans may have been oversold on the idea of security. He remarked that the farmer and laboring man, both of whom are apparently destined to share more largely in the nation's wealth, will not provide risk capital quickly or in large amounts, but they will look in greater numbers to the life companies to carry an adequate share of the over-all investments to be absorbed annually.

American railroads are far better prepared today to meet a possible period of trouble than they were in 1929, said W. Wendell Reuss of the New York investment firm of McLaughlin, Reuss & Co. Presenting a detailed statistical examination of many phases of railroad management and finance, Mr. Reuss declared that in contrast with the broadly unprepared financial position of most railroads at the close of 1929, the reverse is generally true today. It also appears, he said, that present operating conditions justify the belief in a better ability to cope with troublesome conditions when they finally arise.

The real measure of the International Bank's effectiveness may be less in the amount of money it lends than in the work it is doing to encourage suitable conditions for private investments abroad, said Robert L. Garner, vice-president of the bank. He said it is his

### Allay Fears of Danger from Lower Market Values

(CONTINUED ON PAGE 27)

there is a very great deal more than that involved in life insurance investment operations.

"Other questions of deep significance arise in connection with the assets of life insurance companies. What will they be worth in terms of buying power when they are paid to beneficiaries? Have we any responsibility beyond the contractual one of paying the dollars which the terms of the policy call for? Should we not exert our influence in every reasonable way to maintain relative stability in the purchasing power of the dollar by disseminating information in our personal contacts and in public discussions of sound economic principles, fiscal and monetary policy? We should, I believe, be in the forefront of this endeavor."

#### New Investment Outlets

Discussing new investment outlets for life insurance assets, Mr. Gordon said: "We are finding opportunity in new fields beyond the traditional ones for investing the ever increasing flow of funds. To a limited extent in states where permitted these funds have been placed in preferred stocks. Doubtless restraining the amount invested in this field are the current methods of valuation, legal restrictions and lack of adequate sinking funds. Regarding the latter, it is interesting to note an increasing number of companies which are now insisting on this additional safeguard."

Advocating study of equity investments, Mr. Gordon said: "With the knowledge that an increasing percentage of personal savings is being lodged with insurance companies; that corporations perennially experience difficulty in obtaining sufficient equity capital for their needs (over 50% of the aggregate equity capital of corporations in this country consists of retained earnings); that too great a proportion of the total capitalization in debt instruments takes on per se many of the aspects of equity financing to a greater or less degree, some of the reasons at least for giving careful study to this branch of investment become obvious."

## There ARE Many Who Agree

**THAT**—there are real and frequent opportunities with a YOUNG, GOOD, AGGRESSIVE COMPANY.

**THAT**—an immediate and larger income for the salesman can be built and maintained through the DUAL PROTECTION PLANS if all offered through one good company.

**THAT**—a large, satisfied clientele can be built—more rapidly—more enduring—more profitable—with a company writing a full line of PERSONAL INSURANCE — LIFE, ACCIDENT, HEALTH, HOSPITALIZATION, GROUP, WHOLESALE.

IF

You are among those who AGREE, we invite your inquiry into our Company policy kit, procedures, and opportunities available for representation as Salesmen, Managers, and Supervisors, in MISSOURI, IOWA, NEBRASKA, KANSAS, NORTH DAKOTA, SOUTH DAKOTA AND MINNESOTA. Write B. Taylor, Agency Vice-President.



**NATIONAL FIDELITY**  
*Life Insurance Company*

W. RALPH JONES President

KANSAS CITY 6, MISSOURI

Faithful Service for a Third of a Century

October 8, 1948

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## Says Savings Studies May Disprove Keynesian Low-Interest Theories

Data developed by the savings studies of the A.L.C.-L.I.A. Joint Committee on Investment Research may result in disproving some of the Keynesian theories that have been such large factors in the federal government's fiscal policy designed to drive interest rates lower and to place a heavy burden of taxation on income receivers who account for the bulk of savings, James



J. J. O'Leary

J. O'Leary, the committee's director of research, told the Financial Section of the A. L. C.

Mr. O'Leary said that economists are generally agreed that one of the most serious economic blind spots is the lack of information on Americans' money savings.

"In spite of this dearth of information," he said, much of modern economic theory, based mainly on ideas put forward by the late British economist, John Maynard Keynes, and nurtured by American economists, rests firmly on certain unproved assumptions about the behavior of money savings. For example, at the basis of much of Keynes's thinking is the pure assumption that as the national income increases during the upswing of a business cycle, not only will the aggregate volume of savings increase, but also the percentage of the national income saved will increase. Going on from this basic unproved premise, Keynes builds up his entire body of economic theory which has been so influential in the United States towards encouraging public policy designed to drive interest rates lower and to place a heavy burden of taxation upon those income receivers who account for the bulk of savings.

"There is a sharp difference of opinion

today on whether Keynes's assumptions about savings have validity, and I am hopeful that our study will be able to provide some evidence on how national savings actually do behave. It may be, of course, that the findings of our study will bear out some of the Keynesian assumptions, but, at any rate, it is exceedingly important, not only for the life insurance business, but for the economy as a whole, to have the facts; for there is no denying that many of his ideas have led to low interest and other governmental policies which have had an important effect upon the life insurance business."

Mr. O'Leary said there are figures on what are called "savings" compiled, for example, by Simon Kuznets of the National Bureau of Economic Research, and by the Department of Commerce, but these are really figures on physical capital formation rather than on money savings, and they tell little about the behavior of savings accumulated in the form of money by individuals.

### Three Projects of Bureau

The financial research program of the National Bureau of Economic Research includes three projects of direct interest to the life insurance business, Mr. O'Leary said. These are the corporate bond study, the mortgage lending experience study, and the mortgage lending cost studies.

Another piece of research toward which the committee is providing financial aid is a study of the economic aspects of atomic energy. The life insurance business must be concerned, he said, with the possible effects of the commercial development of atomic power on the public utility and industrial system.

Mr. O'Leary also discussed briefly the research work done by the committee staff on valuation of assets and on various other matters in connection with which industry wide studies have been desirable.

## Warns Mail-Order A. & H. Code May Be Sweeping in Scope

Possible effects of the fair trade practices code which a group of mail-order A. & H. companies are trying to work out with the federal trade commission were discussed by Robert L. Hogg, executive vice-president of American Life Convention in his report at the A.L.C. general session Wednesday.

Even though A. & H.-writing members of the A.L.C. are not parties to the fair trade conference proceedings and are not engaged in improper practices, nonetheless, once the federal trade commission promulgates a fair trade practices agreement every company engaged in that particular business may be subject to it, he said.

"While application was filed by companies primarily engaged in the mail order business, it might be difficult to restrict the operation of a fair trade practices agreement only to those companies conducting their business by mail," he said. "The question would immediately arise: What is a mail order company? Another question would be: If a fair trade practices agreement is



R. L. Hogg

sound and proper, why should it be restricted only to those companies conducting a mail order business? These questions are fundamental ones, inasmuch as approximately 70% of the accident and health business is transacted by life companies. These possible ramifications of the present proceeding prompt the American Life Convention and its staff to follow this subject during the coming year with a great deal of interest and caution. No member company desires to condone any evil. However, companies will wish to see that legitimate operations of our member companies are not unwittingly hampered."

### Group Situation

On the group insurance situation Mr. Hogg said it is gratifying to observe that most of those interested in the subject are fully aware of the care which must be exercised in handling this controversial subject, and that it is realized that there cannot be even an implication that any particular approach to the problem is to protect some competitive position. The true and safe yardstick must continue to be the public interest, he said, though even with this measuring-rod, "we may be still far apart because of the different ideas of what may comprise the public interest." The real arbiter must be the legislatures of the various states under counsel of the National Assn. of Insurance Commissioners, he said.

In his report Mr. Hogg also discussed federal income tax of companies, taxation of policyholders and beneficiaries, status of agents, compulsory health insurance, municipal taxes, social security, and state legislation.

October 4, 1948

### Dear Diary:

Thinking of our forthcoming Golden Anniversary, we leafed back through your early pages and came across an entry dated 1914 which reads: "Joined the American Life Convention, an insurance association now 8 years old." We were then only 15 ourselves, but, in this instance at least, providentially precocious.

Throughout the past 34 years we have had frequent occasion to be thankful for our youthful wisdom in joining this splendid organization. Today, it opens its 43rd Annual Meeting. Fifty years from now, with a Centennial Celebration in the offing, we'll be just as proud of our membership as we prepare to attend the Convention's 93rd Annual Meeting.

## THE HOME LIFE INSURANCE COMPANY OF AMERICA

Daniel J. Walsh  
President

Bernard L. Connor  
Exec. Vice-Pres. and  
Secretary

Carl H. Anderson  
Treasurer

Executive Offices: Philadelphia, Pa.

# ARE YOU INTERESTED?

Opportunity is not "just around the corner", it is here!

If you have managerial ability and a desire to develop a life and accident and health agency in Middle-Western territory, communicate at once with



**FEDERAL LIFE INSURANCE CO.**  
CHICAGO, ILLINOIS

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MEMPHIS, TENNESSEE



"Its Home Denotes Its Standing"

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One of America's Most  
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"An Address of Distinction"

GROWING WITH  
MEMPHIS  
AND THE MID-SOUTH

FURNISHING LIFE INSURANCE FOR THE ENTIRE FAMILY

Alabama

Mississippi

Tennessee

## Youth Needs Educating in Personal Economics: Orr

The public needs to be educated in the uses and benefits of life insurance and this must be more largely achieved through the established educational institutions, said Clifford H. Orr, general agent National Life of Vermont, Philadelphia, president of the National Assn. of Life Underwriters, at the first general session of the American Life Convention.

Colleges and universities dwell too little on personal finance he declared, saying he was unaware of any course in any college which attempts to teach the fundamentals of personal economics.

"No time is spent in schooling our youth to learn the difference between a theoretical and a practical approach to the most important problem they will ever meet—solving the matter of the financial security of themselves and their dependents," he said. "We must use every influence our combined forces can muster to place before men and women in the early years of their lives an understanding of personal financial planning. They must be taught to understand the place of this quasi-public organization known as life insurance and the use they can make of it in their private lives."

Mr. Orr referred to statistics which show that despite the enormous totals of life insurance in force and number of policyholders, "it appears that we have never been able to insure much more than one year's income of the American family."

Mr. Orr, who has been for many years closely associated with agent training programs, feels strongly that one answer to the problem lies in that field.

"To you of enlightened concept," he

### American Service Bureau Revenues Reach New High

President Lee N. Parker of the American Service Bureau, insurance inspection affiliate of the A.L.C. reported that the year ended Aug. 31, 1948, was by all odds the largest in revenue, 10.7% greater than the previous 12 months. The calendar year to date has been the best in the bureau's history.

The bureau has no indebtedness, has borrowed no money, and has had no subsidy of any kind, Mr. Parker said. A small addition to surplus has been made during the past twelve-month period in spite of steady increases in all fundamental operating costs throughout the organization.

Business has more than doubled in the past three years.

Primarily, income of the American Service Bureau results from the inspection of new applicants for life and accident insurance while the inspection of agents, claims, personnel, medical examiners, borrowers, are among the other 30 different inspection services furnished the companies.



C. H. ORR

said, "it may seem surprising that life insurance is still largely sold as a product, a good thing to own, a contract of cash values, dividends and other mechanical benefits rather than an organized plan of providing the guarantee and security of financial independence so desirable and sought after by all."

"An agent who has been schooled and adopts a presentation in the uses of life insurance almost invariably is told that is the first time the prospect has had life insurance presented that way. Today, even in the simplest of sales, an intelligent presentation requires the agent to have knowledge of the benefits provided by social security, group insurance, National Service life insurance and other benefit plans. He must know something of the withholding provisions of the income tax law, the new splitting of income provisions, the marital deduction. The pressure of inflation on the family economy must be understood. Lack of this knowledge is soon apparent."

### Stresses Field Education

Mr. Orr said that if the average life insurance owned per individual is to reach greater heights it will be only because of an enlarged concept of its uses. He said the life insurance industry has recognized the necessity of the training and education of its agents and that the American College and the Life Underwriter Training Council are examples of industry cooperation to this end. He said that occasional comments have been expressed by company officials or agency heads that because of the excellence of their own educational and training procedures they saw no need of these institutional projects but inquiry and observation have led him to conclude that few, if any, companies or agencies are prepared or equipped to give agents the detailed and prolonged program of training and education provided by either the American College or the L.U.T.C. and even if they could the cost would be prohibitive and needless.

### Sen. Wiley Wants Tax Exemption for Estate-Tax Policies

Senator Wiley of Wisconsin, chairman of the Senate judiciary committee, told the American Life Convention at its concluding session that he is "deeply interested" in the possible exclusion from the gross estate of life insurance proceeds earmarked for payment of federal estate taxes. The amount that should be permitted to be thus exempt requires further study and consideration, he said, but he said he was sure that the A.L.C. is giving thought to this matter and will be in position to make recommendation to the appropriate committee in Congress.

"You and I know that our dollar in fact represents only half of what it did ten or twelve years ago in purchasing power," he said. "We must do what we can to restore the dollar to its former purchasing power and keep America in full production. Government cannot by some magic change the economic laws which have accounted for the present inflationary imbalance. But government can by constructive action protect the resources of its citizens."

Senator Wiley paid high tribute to the insurance business as an "indispensable pillar" to the American way of life and declared that a hundred million Americans have a vital stake in the system of private initiative through possession of insurance policies.



L. N. PARKER

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## Do people "BUY" ... ..or have to be "SOLD"?



### People rarely BUY life insurance

—though most prospects recognize that they need it. The big problem is that most healthy men assume that they'll be just as healthy next year. They assume they can get life insurance later, and the need won't be any greater then than now.

### They must be SOLD

—on the immediacy of the need—jolted into the realization that next year, even tomorrow, may be too late. That is the job of the life underwriter.

In The Connecticut Mutual alone, 45 claims were paid last year on policies which had been in force less than a year. The beneficiaries of these policies are thankful that Connecticut Mutual agents did effective selling jobs.

The table below contains a few of the Company's 1947 "first year" death claims. Perhaps the story this table tells will help sell *now*, some prospects who are stalling.

Occupation	Age	Cause of Death	Paid by Insured	Paid by Company	Excess of Benefits Over Prem. Paid
Foreman	32	Acc. Crushing	\$ 70.63	\$ 2,000.00	\$ 1,929.37
Executive	31	Lobar Pneumonia	70.95	5,000.00	4,929.05
Merchant	48	Auto Accident	89.35	5,000.00	4,910.65
Research Director	49	Acc. Drowning	1,193.50	25,000.00	23,806.50
Physician	30	Acc. Electrocution	143.05	10,000.00	9,856.95
Farmer	27	Heat Prostration	69.04	4,000.00	3,930.96
Manager	38	Acc. Drowning	365.52	12,000.00	11,634.48
Student	17	Diving Accident	26.60	1,000.00	973.40
Editor	36	Poliomyelitis	219.60	17,236.78	17,017.18
Gas Sta. Opr.	27	Lung Edema	131.50	5,000.00	4,868.50

Of 3195 policies on which there were claims in 1947, 45 were in force less than a year.

**The Connecticut Mutual**  
LIFE INSURANCE COMPANY • Hartford





**"THE YEARS I spent with The Union Central were the happiest of my business life. The work was so absorbing that oftentimes when I should have been in bed, I found myself at my table working with insurance problems. It paid off in commissions, however—but good! I feel very grateful for all that I earned and learned while with The Union Central.**

**"I think The Union Central is most liberal in its new retirement program, a factor which should be most inviting to any man who wants to make a career in life underwriting. Supplementing what we have provided for ourselves, it has enabled Mrs. Lieberman and me to buy a lovely old home in Pennsylvania and to remodel it to suit our tastes. It also has enabled us to migrate to Arcadia, Florida, arriving late in December—just in time for a New Year's Eve barbecue under the Florida stars and a couple of orange trees. Then comes golfing and fishing until we feel the urge to go back and witness another Pennsylvania springtime.**

**"It's a wonderful way to live—and I hope that all the people for whom I set up retirement income plans during my many years with The Union Central are having as much fun as I."**

The Union Central is very proud of Frank G. Lieberman and its many other agents throughout the country who have devoted their lives to the Company and its policyholders. And the many years of faithful service they have rendered are not being forgotten by The Union Central.

★

#### ***Money Every Month . . . for the Agent***

Through a liberal Pension Plan devised by their Company, substantial monthly checks go to qualified members of The Union Central Quarter Century Field Club who have reached retirement age after 25 or more years of continuous service. This plan means security for The Union Central Agent who has made a career of providing security.



**THE *Union Central* LIFE INSURANCE CO.**  
CINCINNATI, OHIO